



**MINUTES OF THE  
GLENDALE CITY COUNCIL MEETING  
Council Chambers  
5850 West Glendale Avenue  
June 12, 2012  
7:00 p.m.**

The meeting was called to order by Mayor Elaine M. Scruggs, with Vice Mayor Steven E. Frate and the following Councilmembers present: Joyce V. Clark, Yvonne J. Knaack, H. Philip Lieberman and Manuel D. Martinez.

Councilmember Norma S. Alvarez participated and voted by telephone.

Also present were Horatio Skeete, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk.

Mayor Scruggs called for the Pledge of Allegiance and a moment of silence was observed.

**COMPLIANCE WITH ARTICLE VII, SECTION 6(c) OF THE GLENDALE CHARTER**

A statement was filed by the City Clerk that the 8 resolutions and 3 ordinances to be considered at the meeting were available for public examination and the title posted at City Hall more than 72 hours in advance of the meeting.

**APPROVAL OF THE MINUTES OF THE MAY 22, 2012 CITY COUNCIL MEETING**

**It was moved by Clark, and seconded by Lieberman, to dispense with the reading of the minutes of the May 22, 2012 Regular City Council meeting, as each member of the Council had been provided copies in advance, and approve them as written. The motion carried unanimously.**

**PROCLAMATIONS AND AWARDS**

**AWARD FOR PARTICIPATION IN THE RAPID ANTI-CONVULSIVE MEDICINE PRIOR TO ARRIVAL TRIAL**

This is a request for City Council to receive an award from the University of Arizona for the Glendale Fire Department's participation in the Rapid Anti-Convulsive Medicine Prior to Arrival Trial (RAMPART). Kurt Denninghoff, MD, Distinguished Chair of Emergency Medicine and

Associate Director of the Arizona Emergency Medicine Research Center at the University of Arizona, will be in attendance to present the award.

Statistics show that prolonged seizures kill 55,000 Americans annually. The Glendale Fire Department (GFD), along with the University of Arizona, participated in a three year national study of a new medication to treat seizure patients which concluded in November 2011. GFD was the only participating Arizona Fire Department, and in comparison to other national RAMPART participants, GFD had the most results and the best documentation presented, according to the University of Arizona. The success of the study was in large part due to the citizens' willingness to participate. GFD was able to provide valuable data for the study and scored the highest rating in quality standards for administering the study.

The continued benefit from the RAMPART is a faster, more appropriate protocol and medication for treating seizure patients. This trial has changed how Emergency Medical Service provides treatment for seizure patients nationwide. This opportunity has also allowed GFD to become involved in future studies.

On December 23, 2008, Council approved an intergovernmental agreement with the University of Arizona to participate in the National Institute of Health RAMPART study.

The recommendation is to accept the award for participation in the Rapid Anti-Convulsive Medicine Prior to Arrival Trial.

Mayor Scruggs called forward Mark Burdick, Fire Chief, and Tom Cole, Acting Assistant Fire Chief. She then called Daniel Spaite, MD, Professor and Distinguished Chair of Emergency Medicine at the University of Arizona, to present the award. Dr. Spaite explained the trial and the dedication required to have a viable result. Tom Cole, Acting Assistant Fire Chief, provided a brief summary on the benefit of the Rapid Anti-Convulsive Medicine Prior to Arrival Trial and Glendale's continued involvement.

## **CONSENT AGENDA**

**Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion.**

Mr. Horatio Skeete, Assistant City Manager, read agenda item numbers 1 through 6 and Ms. Pamela Hanna, City Clerk, read consent agenda resolution item numbers 7 through 12 by number and title.

### **1. LIQUOR LICENSE NO. 5-5344, DIRTY PELICAN GRILL**

This is a request for City Council to approve a person-to-person, location-to-location transferable series 6 (Bar - All Liquor) license for Dirty Pelican Grill located at 6718 West Deer Valley Road, Suite 101-104. The Arizona Department of Liquor Licenses and Control application (No. 06070569) was submitted by Theresa June Morse.

The location of the establishment is 6718 West Deer Valley Road, Suite 101-104 in the Cholla District. The property is zoned PAD (Planned Area Development). The population density within a one-mile radius is 19,929. Dirty Pelican Grill is currently operating with an interim permit, therefore, the approval of this license will not increase the number of liquor licenses in the area. The current number of liquor licenses within a one-mile radius is as listed below.

<b>Series</b>	<b>Type</b>	<b>Quantity</b>
07	Bar - Beer and Wine	3
09	Liquor Store - All Liquor	1
10	Liquor Store - Beer and Wine	3
12	Restaurant	2
	<b>Total</b>	<b>9</b>

The City of Glendale Planning, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

At the August 23, 2011 meeting, Council forwarded a recommendation of denial of a liquor license at this location by a different applicant (Paul Daniel Wicher). The denial was based on the findings of false and misleading information on the application, questions of ownership, the applicant's capability, qualification, and reliability, and restaurant requirements.

No public protests were received during the 20-day posting period.

Based on information provided under the background, it is staff's recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

## **2. LIQUOR LICENSE NO. 5-6211, PLANET ZONG SMOKE SHOP**

This is a request for City Council to approve a new, non-transferable series 10 (Liquor Store - Beer and Wine) license for Planet Zong Smoke Shop located at 4726 West Olive Avenue, Suite 4. The Arizona Department of Liquor Licenses and Control application (No. 10076268) was submitted by Fawaz Mohammad Hasan Kanaan.

The location of the establishment is 4726 West Olive Avenue in the Cactus District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 21,926. Planet Zong Smoke Shop is currently operating with an interim permit, therefore, the approval of this license will not increase the number of liquor licenses in the area. The current number of liquor licenses within a one-mile radius is as listed below.

<b>Series</b>	<b>Type</b>	<b>Quantity</b>
06	Bar - All Liquor	7
07	Bar - Beer and Wine	2
09	Liquor Store - All Liquor	5

10	Liquor Store - Beer and Wine	4
12	Restaurant	5
14	Private Club	1
	<b>Total</b>	<b>24</b>

The City of Glendale Planning, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

No public protests were received during the 20-day posting period.

Based on information provided under the background, it is staff's recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

### 3. AUTHORIZATION TO PURCHASE A BOMB SQUAD EMERGENCY RESPONSE VEHICLE

This is a request for City Council to approve the purchase from LDV, Inc. of a Bomb Squad Emergency Response Vehicle for the Glendale Police Department in an amount not to exceed \$165,000.

The current Bomb Squad Emergency Response Vehicle is due for replacement. Over the years, the Police Department has acquired specialty equipment that the current vehicle cannot support. The new vehicle will be state-of-the-art and is designed specifically to house, run, and work the specialty equipment that the bomb squad utilizes. The Police Department will use a combination of grant funding and vehicle replacement funding to purchase a Bomb Squad Emergency Response Vehicle, which will enable them to maintain a high level of preparedness.

The vehicle will be purchased through the 1122 Program. The 1122 Program is a state and local law enforcement procurement program that was instituted to allow agencies to obtain quality law enforcement equipment at a discounted rate. The 1122 Program, through the administration of General Services Administration contracts, permits law enforcement agencies to take advantage of the purchasing power of the federal government to receive discounts commensurate with large volume purchases.

On May 22, 2012, Council approved the acceptance of 2010 Arizona Department of Homeland Security grant funding in the amount of \$115,000.

On April 28, 2009, Council approved an intergovernmental agreement with the State of Arizona for the Counter-Drug (1122) Procurement Program.

The funding is available through the 2010 Arizona Department of Homeland Security grant and the Vehicle Replacement Fund. The existing vehicle that currently carries this specialized equipment will be sold at auction once the new vehicle is purchased. The ongoing operating and maintenance costs for the existing vehicle will be shifted to maintain this new vehicle.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
X		X	X		\$165,000

**Account Name, Fund, Account and Line Item Number:**

2010 Department of Homeland Security Grant, Account No. 1840-33182-551400, \$115,000  
Vehicle Replacement fund, Account No. 1120-13610-551400, \$50,000

The recommendation is to approve the purchase from LDV, Inc. of a Bomb Squad Emergency Response Vehicle for the Glendale Police Department in an amount not to exceed \$165,000.

**4. AWARD OF BID FOR ARROWHEAD RANCH WATER RECLAMATION FACILITY  
AERATION BLOWER IMPROVEMENTS PROJECT**

This is a request for City Council to award a bid and authorize the City Manager to enter into a construction agreement with Hunter Contracting Co. in an amount not to exceed \$408,541 for aeration blower system improvements at the Arrowhead Ranch Water Reclamation Facility (ARWRF).

The ARWRF aeration blowers were installed in 1999. Aeration blowers are used to provide air for the wastewater treatment process. Improvements to the master control panel, three local control panels, and integration with the existing Supervisory Control and Data Acquisition (SCADA) system will provide better control of the blowers and aeration process at this facility. The SCADA system ensures system integrity and security to aid staff in the production and delivery of high-quality water services.

On April 26, 2012, three bids were received for this project. Hunter Contracting Co. submitted the lowest responsive and qualified bid.

On April 13, 2010, Council authorized the City Manager to enter into a professional services agreement with Brown and Caldwell Inc. to provide design and construction administration services for blower system upgrades at the ARWRF in the amount of \$148,587. On August 1, 2011, staff entered into Amendment No. 1 to the agreement for additional design services and bidding assistance to the scope of work for the replacement of the blower system in an additional amount of \$43,598.

This project will benefit the community by enhancing the reclamation process to continue providing high-quality effluent at the ARWRF.

Funds are available in the FY 2011-12 capital improvement plan. There are no additional operating costs associated with these projects once completed.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$408,541

**Account Name, Fund, Account and Line Item Number:**

Arrowhead Wtr Reclam Fac Imps, Account No. 2360-60007-550800, \$408,541

The recommendation is to award the bid and authorize the City Manager to enter into a construction agreement with Hunter Contracting Co. in an amount not to exceed \$408,541 for aeration blower system improvements at the Arrowhead Ranch Water Reclamation Facility.

**5. AWARD OF BID FOR WEST AREA WATER RECLAMATION FACILITY UV VENTILATION IMPROVEMENT PROJECT**

This is a request for City Council to award a bid and authorize the City Manager to enter into a construction agreement with Hunter Contracting Co. in an amount not to exceed \$160,120 for ultraviolet disinfection facility ventilation improvements at the West Area Water Reclamation Facility (WAWRF).

The WAWRF ultraviolet disinfection facility was constructed in 2001. This improvement project will add fiberglass ductwork to the existing ventilation system, and will extend the life of the ultraviolet disinfection facility system equipment.

On April 26, 2012, two bids were received for this project. Hunter Contracting Co. submitted the lowest responsive and qualified bid.

On March 13, 2012, staff entered into a Professional Services Agreement with Arcadis, U.S. Inc. for miscellaneous improvements at the WAWRF in an amount not to exceed \$49,748. The professional services agreement included design services for ventilation improvements at the WAWRF, conceptual analysis and recommendations for pump station improvements, and development of specifications and inspection services for repainting of exterior metal surfaces. The amount of \$18,814.66 from the total contract price covered the costs for the ventilation improvements.

Arcadis, U.S. Inc. was selected from the Engineering Department's Consultant On-Call list which, was developed from the Request for Qualifications submittals that were evaluated in late 2010 and became active in January 2011.

This project will benefit the community by improving the city's wastewater treatment processes to continue providing high-quality effluent at the West Area Water Reclamation Facility.

Funds are available in the FY 2011-12 capital improvement plan. There are no additional operating costs associated with these projects once completed.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$160,120

**Account Name, Fund, Account and Line Item Number:**

WAWRF Phase IV, Account No. 2360-60008-550800, \$160,120

The recommendation is to award the bid and authorize the City Manager to enter into a construction agreement with Hunter Contracting Co. in an amount not to exceed \$160,120 for ultraviolet disinfection facility ventilation improvements at the West Area Water Reclamation Facility.

**6. FISCAL YEAR 2012-13 PERFORMING ARTS PARTNERSHIP PROGRAM**

This is a request for City Council to approve the expenditures from the Municipal Arts Fund for the various agencies that have been selected by the Glendale Arts Commission to participate in the Fiscal Year (FY) 2012-13 Performing Arts Partnership Program.

In 1996, Council approved the Performing Arts Partnership Program. Under this program, one percent of construction projects in the capital improvement plan are deposited in the municipal art fund to be used to administer the city's public art and performing arts program. Expenditures from the Municipal Arts Fund for the Annual Performing Arts Partnership Program are recommended by the Glendale Arts Commission through its annual arts projects plan and are subject to approval by Council. Proposals for performing arts projects to be held in Glendale were solicited from non-profit arts organizations, schools and government agencies for FY 2012-13. On May 17, 2012, the Arts Commission met to evaluate 11 applications. Nine of the proposals were selected for recommendation for full funding; one proposal was recommended for partial funding. The expenditures recommended, totaling \$35,500, are as follows:

- \$4,000 - ABT Performing Arts Association will present *ABT's Theatre for Young Audiences Goes to the Library*. ABT will partner with Glendale Public Library to present two full performances of a book-based children's play by ABT's professional actors in the library's main branch auditorium. Programs will have activities in advance of the performances for youth and families.
- \$4,000 - Arizona Theatre Company will provide an artist-in-residency project, which will include language workshops, Shakespearean scene study, interaction with professional Shakespearean actors and written materials for 9<sup>th</sup> and 10<sup>th</sup> grade classrooms at Mountain Ridge High School and 12<sup>th</sup> grade classrooms at Glendale High School.
- \$4,000 - Ballet Arizona will produce and present *Ballet Under the Stars*, a free public outdoor performance at Sahuaro Ranch Park in September. Ballet Arizona will also partner with Don Mensendick Elementary School to produce *Class Act*, a student performance, which will take place during the intermission of *Ballet Under the Stars*.
- \$4,000 - Center Dance Ensemble will give 12 performances of their touring shows at nine Glendale elementary schools during the 2012-2013 school year, at no charge to the schools; *The ABC's of Dance* for grades K-6 (four performances), *Poetry 'n Motion* for grades K-3 (three performances) and *More Poetry 'n Motion* for grades 4-6 (five performances).
- \$3,000 - Childsplay, Inc. will present four touring performances between September 2012 and June 2013 for after-school and weekend audiences at Foothills Branch Library. The

shows are *Rock the Presidents*, *Food for Thought*, and *Tomás and the Library Lady*. Each production will feature Childsplay's professional adult actors and scenery, costumes, and props designed by nationally respected artists.

- \$4,000 - Free Arts For Abused Children of Arizona will provide five teaching artists to conduct one five-week residency at two group homes. This project will culminate in a festival, *One World, One People*, for approximately 100 abused and homeless or at-risk youth living in 10 group homes in Glendale. The festival will be held at Sahuaro Ranch Park on March 14, 2013.
- \$500 - The Glendale Youth Project will produce Hip Hop classes at Glendale Community Centers.
- \$4,000 - Opendance will provide classes and workshops based on the classic story of *Ferdinand the Bull*. Performances will be held at two Glendale community centers and two assisted living centers in Glendale. Three teaching artists will also conduct four workshops for 15 youth at the Glendale community centers. The youth will read, write, draw, paint, make props, create dances, lyrics, sounds, songs, script, and scenery while working alongside professionals in their field.
- \$4,000 - Phoenix Symphony Association will provide a *School Music Education Experience*. Bicentennial South Elementary School will receive a *Bach-in-Roll Assembly* provided by one of the Symphony's touring ensembles, followed by attendance at one of the *Symphony for the Schools* concerts for the entire school.
- \$4,000 - Scottsdale Cultural Council will present *Arizona Wolf Trap*, which places professional performing artists in Glendale preschool classrooms to help teach curriculum using the performing arts. Sessions will be twice a week for seven weeks.

The public events will occur between July 1, 2012 and June 30, 2013. As such, additional public notification will take place on the city's website and via press-release. Additionally, the funding recipients will promote events through their marketing efforts.

Every year since 1996, Council has approved the expenditures from the Municipal Arts Fund for the Performing Arts Partnership Program to motivate, increase and support the performing arts in Glendale. Since the inception of the program, the city has invested \$527,300 in 191 performing arts projects.

The Performing Arts Partnership Program supports a wide variety of free programs, which make the arts more accessible to Glendale citizens, most notably youth and their families. The various organizations host a variety of diverse arts programs throughout the community that can be enjoyed by residents of all ages.

Funds are available through the Public Art Program. There are no operating costs associated with this program. A transfer of appropriation within the Arts Maintenance FY 2012-13 budget for \$20,500 from 1220-15310-552000 to 1220-15310-531200 is needed to bring the available budget in this account number to \$35,500.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
			X		\$35,500



**Account Name, Fund, Account and Line Item Number:**

Arts Maintenance, Account No. 1220-15310-531200, \$35,500

The recommendation is to approve the expenditures from the Municipal Arts Fund for the various agencies that have been selected by the Glendale Arts Commission to participate in the FY 2012-13 Performing Arts Partnership Program.

**CONSENT RESOLUTIONS**

**7. INTERGOVERNMENTAL AGREEMENT REGARDING SPORTS FIELDS LIGHTING SYSTEM AND FACILITY USE AT RAYMOND S. KELLIS HIGH SCHOOL**

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into an intergovernmental agreement (IGA) regarding the sports fields lighting system and facility use at Raymond S. Kellis High School with the Peoria Unified School District No. 11 (District).

The City of Glendale has had an IGA with the District since 2005. On June 28, 2011, the City of Glendale entered into the current IGA regarding sports fields lighting and facility use at Raymond S. Kellis High School. That IGA was for a term of one year. The proposed IGA with the District will continue that relationship and formalize the use of the District's lighted sports fields and parking lot as overflow parking for large stadium events. Subject to approval, this IGA will also have a term of one year.

This IGA will satisfy the city's obligation for off-site overflow parking opportunities for large stadium events. Additionally, this IGA provides reciprocal use of District and city facilities, including the lighted sports fields located at Raymond S. Kellis High School.

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the entering into of an intergovernmental agreement regarding sports fields lighting system and facility use at Raymond S. Kellis High School with the Peoria Unified School District No 11.

**Resolution No. 4579 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AN INTERGOVERNMENTAL AGREEMENT REGARDING SPORTS FIELDS LIGHTING SYSTEM AND FACILITY USE AT RAYMOND S. KELLIS HIGH SCHOOL WITH THE PEORIA UNIFIED SCHOOL DISTRICT NO. 11.**

**8. INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF SURPRISE FOR HELICOPTER AIR-MEDICAL LOGISTICS OPERATIONS**

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into an intergovernmental agreement (IGA) with the City of Surprise for Helicopter Air-Medical and Logistics Operations (H.A.L.O.) on behalf of the Glendale Fire Department.

The mission of the H.A.L.O. program is to provide air medical transportation and other emergency services in Glendale and for its automatic aid and mutual aid partners. The H.A.L.O. team is comprised of six firefighter paramedics from the cities of Glendale (4 paramedics), Surprise (1 paramedic), and the Fire District of Sun City West (1 paramedic) who staff a team of two firefighter paramedics per shift to provide 24 hour coverage, seven days a week. The City of Glendale has a current contract with PHI, Inc. for the H.A.L.O. program, which is based out of the Glendale Municipal Airport.

The proposed IGA will renew the current agreement that will expire on June 26, 2012. The proposed IGA will remain in effect until June 26, 2015 with an option to renew for successive additional three year periods.

On January 25, 2011, Council approved an IGA with the Fire District of Sun City West for H.A.L.O.

On May 27, 2008, Council approved an IGA with the cities of Avondale and Surprise for H.A.L.O.

On June 26, 2007, Council approved the H.A.L.O. contract with PHI, Inc. for the development of a rapid response air medical team.

The most important benefit of air-medical transport is the rapid transport of patients to the appropriate hospital facility and level of care. The primary responsibility of the H.A.L.O. team is to build on the immediate care provided by EMS and fire department personnel and then movement of the patient promptly to the receiving facility. Other direct benefits to Glendale include:

- City of Glendale emergency medical personnel stationed on site at the Glendale Airport 24 hours a day, seven days a week.
- An aerial platform from which to assist in the management of greater alarm incidents in the region.

PHI, Inc. will pay the City of Glendale \$895,950 for the staffing of six full-time firefighter paramedics as part of the original agreement with PHI, Inc. Glendale Fire Department (GFD) will bill PHI, Inc. on a monthly basis for six firefighter paramedic positions to which PHI, Inc. will reimburse GFD. GFD will subcontract with the participating coalition agency for costs associated with a firefighter paramedic positions and will reimburse the coalition agency upon receipt of an invoice.

The total annual amount GFD will reimburse the coalition agencies is \$343,655 and will be deducted from the PHI, Inc. annual allocation. The participating coalition agencies will be responsible for any overtime associated with the back fill of their positions. As part of the annual allocation from PHI, Inc., all operating costs for H.A.L.O. are included, which allows GFD to participate in this program with no cost to the city.

Funds are available in the FY 2012-13 Air-Med & Logistics Operations budget of the Fire Department. There is sufficient fund balance in the Air-Med & Logistics Operations budget to pay the \$343,655 required for the agreement. Appropriation in the amount of \$128,317 will be transferred from Fire grant appropriation 1840-34001-510200.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
			X		\$343,655

**Account Name, Fund, Account and Line Item Number:**

Air-Med & Logistics Ops, Account No. 1000-12492-518200, \$343,655

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the entering into of an intergovernmental agreement with the City of Surprise for Helicopter Air-Medical and Logistics Operations on behalf of the Glendale Fire Department.

**Resolution No. 4580 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF SURPRISE FOR HELICOPTER AIR-MEDICAL LOGISTICS OPERATIONS (H.A.L.O.) ON BEHALF OF THE GLENDALE FIRE DEPARTMENT.**

**9. INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION FOR DOWNTOWN ALLEYWAY IMPROVEMENTS**

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into an intergovernmental agreement (IGA) with the Arizona Department of Transportation (ADOT) for the construction of a downtown alleyway improvement project.

Pedestrian-friendly alleyway improvements are an important component in revitalizing and enhancing downtown Glendale. This IGA with ADOT will provide funding to reconstruct and beautify approximately 400 feet of alleyway connecting Glendale Avenue and Glenn Drive between 57<sup>th</sup> Avenue and 57<sup>th</sup> Drive.

This project will include undergrounding overhead utility lines, installation of decorative pavement, benches, decorative screen walls, pedestrian lighting and landscaping. In addition, drainage issues at the north end of the alleyway will be remedied as part of the project. The proposed alleyway improvements will be comparable in design to other alleyway improvements in Glendale's Centerline District. Construction is estimated to begin in the spring of 2013.

The total cost of this project is estimated at \$454,009. Federal funds in the amount of \$315,721 have been secured in the Maricopa Association of Governments Transportation Improvement Program for construction of the alleyway improvements, and the city's contribution is estimated at \$138,288. If the actual cost of the project exceeds the estimate, the city will be responsible for

all costs in excess of that amount. ADOT will advertise, bid and award the project, and city personnel will provide construction engineering services.

On September 28, 2010, Council authorized the City Manager to enter into a professional services agreement with Wood, Patel and Associates for design services for the downtown alleyway project between 57<sup>th</sup> Avenue and 57<sup>th</sup> Drive, north of Glendale Avenue, south of Glenn Drive.

Improvements to this alleyway will enhance the aesthetics and pedestrian circulation in the downtown area, contribute to a sense of civic pride in downtown Glendale, and demonstrate the city's commitment to the long-term commercial development of the area.

The design phase included public involvement of adjacent businesses and citizens. On April 13, 2011, design plans were presented at the Glendale Onboard Transportation Program Open House held at the Civic Center.

On May 25 and May 26, 2011, design plans were also reviewed with adjacent property owners and, as a result, plans were modified to accommodate better access to the adjacent properties. All citizens and businesses that have provided input have been supportive of this project.

Public input will also be part of the construction phase, and will be solicited from all businesses fronting the alleyway to ensure minimal inconvenience to those businesses and the public.

Funding for construction will be provided by ADOT using federal Congestion Mitigation and Air Quality (CMAQ) funds in the amount of \$315,721. Matching funds are available in the FY 2011-12 capital improvement plan in the estimated amount of \$138,288. The city will be responsible for any additional project costs.

Appropriation of \$88,288 will be transferred from the Intersection Improvements Project (2210-65008-550800) to the Downtown Alley Improvements Project (2210-65088-551200) within the GO Transportation Construction Fund.

The operating and maintenance costs associated with this project will be absorbed by the GO Transportation operating budget.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$138,288

**Account Name, Fund, Account and Line Item Number:**

Downtown Alley Improvements, Account No. 2210-65088-551200, \$88,288  
Local Drainage Problems, Account No. 2180-79004-550800, \$50,000

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into an intergovernmental agreement with the Arizona Department of Transportation for the construction of a downtown alleyway improvement project.

**Resolution No. 4581 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AN INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION TO RECONSTRUCT AND BEAUTIFY APPROXIMATELY 400 FEET OF ALLEYWAY CONNECTING GLENDALE AVENUE AND GLENN DRIVE BETWEEN 57<sup>TH</sup> AVENUE AND 57<sup>TH</sup> DRIVE.**

**10. INTERGOVERNMENTAL AGREEMENT WITH MARICOPA COUNTY DEPARTMENT OF TRANSPORTATION FOR EMERGENCY TRAFFIC MANAGEMENT MUTUAL AID**

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into an intergovernmental agreement (IGA) with the Maricopa County Department of Transportation (MCDOT) for emergency traffic management mutual aid.

The Regional Emergency Action Coordinating Team (REACT) program, operated by MCDOT using trained MCDOT employees, provides traffic control support for major incidents that require road closures. These incidents include traffic collisions, criminal investigations, fires and chemical spills.

In 2004, the City of Glendale entered into its existing IGA with MCDOT to provide emergency traffic management services in the city. MCDOT has successfully provided these services since that time. In 2009, MCDOT was awarded \$852,479 in federal Congestion Mitigation and Air Quality (CMAQ) funds in order to expand the program to additional jurisdictions, with the goal of operating under the mutual aid philosophy.

This IGA will enhance current REACT operations in the city through FY 2013-14. Glendale's share of local match funding is \$96,600, and will be provided through an in-kind exchange of services for the use of the Glendale Regional Public Safety Training Center for REACT training.

On March 23, 2004, City Council approved the entering into of an IGA with MCDOT to provide REACT services to the city.

Use of this program allows trained civilians to provide traffic control services, freeing up sworn officers to respond to other calls for service. Between January and December 2011, REACT responded to 33 incidents in Glendale, providing traffic control assistance for 1,612 man-hours; a savings of approximately \$20,000 per year.

Additionally, an analysis of the program by MCDOT shows that the use of REACT to manage traffic incidents results in a 33% decrease in delays to the traveling public due to an incident.

Glendale's portion of local match funding is \$96,600, and will be provided through an in-kind exchange of services for the use of the Glendale Regional Public Safety Training Center for

REACT training until such time as the \$96,600 in-kind allotment has been exhausted or until 2025, whichever occurs first.

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into an intergovernmental agreement with the Maricopa County Department of Transportation for emergency traffic management mutual aid.

**Resolution No. 4582 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF AN INTERGOVERNMENTAL AGREEMENT WITH MARICOPA COUNTY FOR EMERGENCY TRAFFIC MANAGEMENT MUTUAL AID.**

#### 11. GLENDALE CIVIC CENTER RENTAL INCREASE

This is a request for City Council to adopt a resolution increasing the rental fees for the Glendale Civic Center, effective July 1, 2012.

The Glendale Civic Center opened its doors in the historic downtown in 1999 and is the largest city-owned multi-purpose facility in the West Valley. The venue offers 40,000 square-feet of space for conferences, tradeshow, private parties, weddings, proms, graduations and meetings. The Civic Center hosts an average of 280 event days with approximately 62,000 guests a year.

In March 2012, the Glendale Civic Center was ranked by “Ranking Arizona: the Best of Arizona Business” as the number one meeting and convention facility of its size in Arizona, surpassing high-level competition including the Ritz Carlton in east Phoenix, Loews Ventana Canyon Resort in Tucson, the Hyatt Regency in downtown Phoenix and the Scottsdale Plaza Resort. Other honors the venue has received include the Bride’s Choice Award for 2010 and 2011 from Wedding Wire.

During the Fiscal Year (FY) 2012-13 budget process, staff brought forward a plan to increase rates at the facility, as they had not been adjusted since the Glendale Civic Center opened. Staff presented to Council a proposal to implement a 20% room rental rate increase beginning July 1, 2012 for the Civic Center. Research of comparable rates indicates this increase will keep the facility competitive and will continue to price the venue at a range with our closest competitors.

Council was presented with the rate increase again at the budget meeting on April 23, 2012 and gave approval to include it in the FY 2012-13 budget. The last time Council adopted and approved rental fees for the Civic Center was June 22, 1999.

In accordance with the posting requirements of A.R.S. 9-499.15, a notice of this rate increase was posted to the city website home page sixty (60) days in advance of today’s meeting.

The mission of the Glendale Civic Center is to provide top-quality meeting and banquet facilities and service, to encourage local economic growth and to promote a positive identity for Glendale. Increasing facility usage by providing first-class services and products at competitive rates that

generate revenue for the City of Glendale continues to be a positive contribution to the quality of life for the community.

The Civic Center's number one ranking as the best meeting and convention facility of its size in Arizona is a positive reflection on the city and its investment and exemplifies the value of what the venue brings to the city and region.

Overall, it's estimated the Civic Center could generate up to \$53,000 in additional revenue with a 20% increase in rates beginning in FY 2012-13. For example, room rental for an average wedding would increase from \$856 to \$1,027, and an average meeting room cost for the entire ballroom would increase from \$2,500 to \$3,000.

The recommendation is to waive reading beyond the title and adopt a resolution increasing the rental fees for the Glendale Civic Center, effective July 1, 2012.

**Resolution No. 4583 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, INCREASING THE RENTAL FEES FOR THE GLENDALE CIVIC CENTER; AND ESTABLISHING AN EFFECTIVE DATE.**

## 12. FISCAL YEAR 2012-13 COUNCIL STRATEGIC GOALS AND KEY OBJECTIVES

This is a request for City Council to adopt a resolution approving the Fiscal Year (FY) 2012-13 Council Strategic Goals and Key Objectives used to develop this year's budget following direction from Mayor and Council.

In November 2011, Richard Bowers met individually with Mayor and Council to discuss the strategic goals and objectives that were adopted by Council on June 14, 2011. The annual review and discussions indicated there were no significant changes.

The FY 2011-12 Council Strategic Goals and Key Objectives were adopted at the June 14, 2011 Council meeting.

The seven strategic goals re-emphasized Council's commitments to the citizens of Glendale.

Public awareness of the adopted Council Strategic Goals and Key Objectives document is promoted through the publication on the city's website and in its key financial documents such as the budget book.

The recommendation is to waive reading beyond the title and adopt a resolution approving the Fiscal Year 2012-13 Council Strategic Goals and Key Objectives of the Glendale City Council.

**Resolution No. 4584 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, ADOPTING THE STRATEGIC GOALS AND KEY OBJECTIVES OF THE GLENDALE CITY COUNCIL.**

Francine Romesburg, a Barrel resident, stated it made no sense that residents are being asked to pay for services that are being decreased. She believes the Bomb Squad Emergency Response Vehicle was not a priority at the moment and that money can go to something else. She stated the city was paying a lot of money on most consent and resolution items when that money can be used to put citizens back to work. She asked the Council to stop spending tax payer money indiscriminately on items that are not practical and stick to priorities that are needed by the citizens of Glendale.

Mayor Scruggs commented that she would like to just address a few things and the comments offered by Ms. Romesburg - she understands why the comments were made. But it's important that everyone realizes that some of the things that have been mentioned in here are being done with funds that are not available for anything else. For example, she noted the downtown alleyway improvements. That is part of a very long term project of improving our entire downtown, the appearance of it, the safety of it and so forth. Those are federal funds. The city has been waiting in line for those for many years. There are federal funds that are available and every city submits their projects through the Maricopa Association of Governments. And then they are all weighted in terms of the greatest benefit. This project, who knows how long it's been in the pipeline, she didn't know. But if we turn it down, it's not money that we can use for libraries or police, its money that goes someplace else entirely. The HALO project, PHI, they will pay the city of Glendale \$895,950 for the staffing of six full time firefighter paramedics. So again, this is not money that's coming out of the libraries or things like that. The performing arts grants come out of money that was established in the 1980s. The city of Glendale under Mayor George Renner was the first to establish the percent for arts program. And that means every project that's built in the city of Glendale, which there is hardly any now, one percent goes towards art. That's administered by our Glendale Arts Commission. Again, that money cannot be used for anything else. It goes into the Glendale Arts Commission fund which was adopted by ordinance, established, and the use of those funds is administered by the citizen volunteers on that committee. The key thing is that the money can't just be put in other places.

Councilmember Clark continued to explain the grants and their purpose. She stated these are not pet projects and they were not taken lightly by Council. These projects are being purchased with grant funds. Those that relate to the capital improvement fund have been in the program for five to seven years and their time has finally come. She reiterated that these were not funds that can be used to extend library hours or to change the fees for the Adult Center. These grant funds have a very specific purpose and the city must use them for that purpose only.

**It was moved by Frate and seconded by Martinez, to approve the recommended actions on Consent Agenda Item Nos. 1 through 12, including the approval and adoption of Resolution No. 4579 New Series, Resolution No. 4580 New Series, Resolution No. 4581 New Series, Resolution No. 4582 New Series, Resolution No. 4583 New Series, and Resolution No. 4584 New Series; and to forward Liquor License Application No. 5-5344 for the Dirty Pelican Grill and No. 5-6211 for Planet Zong Smoke Shop to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.**



## **BIDS AND CONTRACTS**

### **13. AWARD OF BID FOR WESTGATE TEMPORARY PARKING LOTS**

Jamsheed Mehta, AICP, Executive Director, Transportation Services, presented this item.

This is a request for City Council to award the bid and authorize the City Manager to enter into a construction agreement with Regional Pavement Maintenance of Arizona, Inc. in an amount not to exceed \$534,910.76 for construction of two temporary parking lots at Westgate City Center.

The city is required to provide parking spaces at Westgate City Center through its agreements with the Arizona Sports and Tourism Authority (AZSTA), the Arizona Cardinals, Coyote Center Development, LLC and Arena Development, LLC. Until full build-out of this Planned Area Development, it has always been the understanding of the parties involved that this parking will be relocated as necessary to accommodate construction while maintaining the minimum number of spaces required. With the construction of the Tanger Outlets Westgate, alternative parking spaces have been identified to meet the city's obligation for adequate parking for major events in the Sports and Entertainment District.

Parcels have been identified on the Westgate City Center site that must be improved to meet the parking requirements in the existing agreements. Required improvements include grading, paving and striping of the parking lots to be ready before the Cardinals' football season begins in August 2012.

On May 31, 2012, 11 bids were received for this project, with Regional Pavement Maintenance of Arizona, Inc. being the lowest responsive bidder in the amount of \$534,910.76.

On September 28, 2004, Council adopted a resolution authorizing the entering into of a Memorandum of Agreement with the Arizona Cardinals and the AZSTA for a multiuse stadium and related improvements.

On May 27, 2003, Council authorized the approval of the Parking License and Agreement with Covenants, Conditions and Restrictions with the AZSTA and the Arizona Cardinals. That agreement was amended on August 15, 2005.

Funds are available in the FY 2011-12 capital improvement plan. There are no operating costs associated with this project once it is complete. Appropriation will be transferred from Land Acquisition (2100-84400-550300) to New Development Infrastructure (2100-84407-550800) in the amount of \$534,911.

<b>Grants</b>	<b>Capital Expense</b>	<b>One-Time Cost</b>	<b>Budgeted</b>	<b>Unbudgeted</b>	<b>Total</b>
	X		X		\$534,910.76

**Account Name, Fund, Account and Line Item Number:**

New Development Infrastructure, Account No. 2100-84407-550800, \$534,910.76

The recommendation is to award the bid and authorize the City Manager to enter into a construction agreement with Regional Pavement Maintenance of Arizona, Inc. in an amount not to exceed \$534,910.76 for construction of two temporary parking lots at Westgate City Center.

**It was moved by Clark, and seconded by Martinez, to award the bid and authorize the City Manager to enter into a construction agreement with Regional Pavement Maintenance of Arizona, Inc. in an amount not to exceed \$534,910.76 for construction of two temporary parking lots at Westgate City Center. The motion carried unanimously.**

Vice Mayor Frate asked how many other off-site parking spaces the city had. Jamsheed Mehta, AICP, Executive Director, Transportation Services, provided a slide graphic of the area. He stated the total number of spaces for stadium related events were about 24,000.

**14. ACCESS AGREEMENT WITH OUTLETS AT WESTGATE, LLC (TANGER OUTLETS WESTGATE)**

Jamsheed Mehta, AICP, Executive Director, Transportation Services, presented this item.

This is a request for City Council to authorize the City Manager to enter into an access agreement with Outlets at Westgate, LLC and to execute the easements provided under that access agreement for parking lot access at the southeast corner of Glendale Avenue and Loop 101.

The city is required to provide parking spaces at Westgate City Center through its agreements with the Arizona Sports and Tourism Authority (AZSTA), the Arizona Cardinals, Coyote Center Development, LLC and Arena Development, LLC. Until full build-out of this Planned Area Development, it has always been the understanding of the parties involved that this parking will be relocated as necessary to accommodate construction while maintaining the minimum number of spaces required. With the construction of Tanger Outlets Westgate, alternative parking spaces have been identified to meet the city's obligation for adequate parking for major events in the Sports and Entertainment District.

One of the lots identified for parking, a 9.84-acre parcel owned by the Arizona Department of Transportation (ADOT), requires access through the Tanger property. This access agreement provides two driveway connections and a pedestrian walkway. As stated in the agreement, Tanger will construct the necessary improvements to provide access to the ADOT lot, and the city will pay Tanger \$115,000 to secure the access easements. While the Tanger property is under construction, event traffic, including vehicles and pedestrians, will be separated by fencing to ensure that citizens have safe passage to and from the ADOT lot.

On September 28, 2004, Council adopted a resolution authorizing the entering into of a Memorandum of Agreement with the Arizona Cardinals and the AZSTA for a multiuse stadium and related improvements.

On May 27, 2003, Council authorized the approval of the Parking License and Agreement with Covenants, Conditions and Restrictions with the AZSTA and the Arizona Cardinals. That agreement was amended on August 15, 2005.

Funds are available in the FY 2011-12 capital improvement plan. There are no operating costs associated with this project once it is complete.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$115,000

**Account Name, Fund, Account and Line Item Number:**

Land Acquisition, Account No. 2100-84400-550800, \$115,000

The recommendation is to authorize the City Manager to enter into an access agreement with Outlets at Westgate, LLC and to execute the easements provided under that access agreement for parking lot access at the southeast corner of Glendale Avenue and Loop 101.

**It was moved by Clark, and seconded by Lieberman, to authorize the City Manager to enter into an access agreement with Outlets at Westgate, LLC and to execute the easements provided under that access agreement for parking lot access at the southeast corner of Glendale Avenue and Loop 101. The motion carried unanimously.**

**15. GLENDALE WESTGATE LODGING INVESTORS II, LLC GROUND LEASE AGREEMENT**

Brian Friedman, Economic Development Director, presented this item.

This is a request for City Council to authorize the City Manager to enter into a ground lease agreement with Glendale Westgate Lodging Investors II, LLC (GWLI) for the lease of approximately six acres of the property located directly east of the Hampton Inn & Suites Phoenix Glendale-Westgate.

The city is required to provide parking spaces at Westgate City Center through its agreements with the Arizona Sports and Tourism Authority (AZSTA), the Arizona Cardinals, Coyote Center Development, LLC and Arena Development, LLC. Until full build-out of this Planned Area Development, it has always been the understanding of the parties involved that this parking will be relocated as necessary to accommodate construction while maintaining the minimum number of spaces required. With the construction of the Tanger Outlets Westgate, alternative parking spaces have been identified to meet the city's obligation for adequate parking for major events in the Sports and Entertainment District.

One of the three parcels identified for this purpose is an approximate six acre parcel owned by GWLI which is located directly east of the Hampton Inn & Suites Phoenix Glendale-Westgate. This parcel will provide an estimated 524 parking spaces. Per the ground lease agreement, GWLI agrees to lease the six acres for up to five years, with a two year minimum before GWLI can terminate the lease on the western four acres, and a one year minimum before GWLI can terminate the lease on the eastern two acres.

The city will pay to GWLI rent for the Premises at the rate equal to the full amount of the property tax assessment paid by GWLI each tax period from the effective date until the earlier of the expiration of this lease or termination of this lease by the city.

On September 28, 2004, Council adopted a resolution authorizing the entering into of a Memorandum of Agreement with the Arizona Cardinals and the AZSTA for a multiuse stadium and related improvements.

On May 27, 2003, Council authorized the approval of the Parking License and Agreement with Covenants, Conditions and Restrictions with the AZSTA and the Arizona Cardinals. That agreement was amended on August 15, 2005.

Funds are available in the FY 2011-12 capital improvement plan. The associated cost for rent is an estimate subject to change as it is based on the rate equal to the full amount of the property tax assessment paid by GWLI each tax period. The cost of lighting will be covered by funds available in the Stadium, Fiesta Bowl, and Arena Transportation Operation accounts.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$40,000

**Account Name, Fund, Account and Line Item Number:**

New Development Infrastructure, Account No. 2100-84407-550800, \$40,000

The recommendation is to authorize the City Manager to enter into a ground lease agreement with Glendale Westgate Lodging Investors II, LLC for the lease of approximately six acres of property located directly east of the Hampton Inn & Suites Phoenix Glendale-Westgate.

**It was moved by Clark, and seconded by Frate, to authorize the City Manager to enter into a ground lease agreement with Glendale Westgate Lodging Investors II, LLC for the lease of approximately six acres of property located directly east of the Hampton Inn & Suites Phoenix Glendale-Westgate. The motion carried unanimously.**

**PUBLIC HEARING - ORDINANCES**

**16. ZONING TEXT AMENDMENT – ZTA11-01 (ORDINANCE) (PUBLIC HEARING REQUIRED)**

Jon M. Froke, AICP, Planning Director, presented this item.

This is a request for City Council to conduct a public hearing and adopt an ordinance for Zoning Text Amendment ZTA11-01 for billboards.

This request to amend the Zoning Ordinance will provide a new definition and a new section to enact zoning regulations and establish a set of development standards to regulate digital billboards along the Loop 101 in the Sports and Entertainment District between Northern Avenue and Camelback Road. Digital billboards will continue to be prohibited in all other areas of the city, and will continue to be prohibited along the Loop 101 between 51<sup>st</sup> Avenue and Bell Road.

The Zoning Text Amendment will provide a new definition of digital billboards matching size and frequency of advertisement change of the two existing billboards on the Park and Ride Lot property in the Sports and Entertainment District. Digital billboards are proposed to be limited to sites zoned Planned Area Development (PAD). The amendment will require sites to have at least 1,000 feet of freeway frontage and one-quarter mile (1,320 feet) between signs on a single PAD.

The amendment would also prohibit billboards in the Heavy Commercial (C-3) zoning district that is located primarily in the center of the city, including the Glendale Centerline.

On March 1, 2012, Planning Commission conducted a workshop and a public hearing regarding ZTA11-01. No action was taken at the workshop. At the public hearing, the Commission moved to approve ZTA11-01; however, the motion failed 3-4.

On November 15, 2011, staff presented the proposed zoning text amendment to the City Council at their City Council Workshop. Council directed staff to continue working on the amendment. Staff did not perceive any Council consensus for changing the text amendment during the workshop.

Planning Commission initiated ZTA11-01 Zoning Text Amendment for digital billboards at the October 6, 2011 Planning Commission Workshop.

The subject matter for ZTA11-01, digital billboards, was also previously considered as freeway billboard signs as a part of ZTA09-01 by the Planning Commission when ZTA09-01 was under consideration.

Prior to the October 6, 2011 meeting, consideration of freeway billboard signs as a part of ZTA09-01 was withdrawn from consideration by the city.

On August 4, 2011, Planning Commission voted to continue discussion of the section of ZTA09-01 regarding freeway billboard signs to the October 6, 2011 Planning Commission meeting.

On June 2, 2011, Planning Commission voted to continue discussion of the section of ZTA09-01 regarding freeway billboard signs to the August 4, 2011 Planning Commission meeting.

Council rezoned the city's property at the northwest corner of the Loop 101 and the Bethany Home Road alignment to PAD to permit erection of digital billboards by the adoption of Ordinance No. 2702 New Series on September 22, 2009.

Council rezoned the city's sewer lift station at the northwest corner of the Loop 101 and Camelback Road to permit the erection of a digital billboard by the adoption of Ordinance No. 2701 New Series on September 22, 2009.

Council rezoned the city's Park and Ride lot to PAD by the adoption of Ordinance No. 2686 New Series on June 23, 2009, to establish zoning which would satisfy the Arizona Department of Transportation to permit erection of the first two digital billboards.

The city adopted the Westgate PAD through a public hearing process in 2002, which included a number of outdoor building and digital signs.

Council approved a comprehensive update of the Zoning Ordinance in 1993, which included billboard regulations.

By providing a new section concerning digital billboards, the current section that addresses billboards will remain unchanged, except for the prohibition of billboards in Heavy Commercial (C-3) zoning districts. Eliminating C-3 zoning districts would help protect existing established neighborhoods and historic districts.

Existing billboards will not be converted into digital billboards with changeable panels. A new section for digital billboards will ensure that proposed site locations have demonstrated a significant existing investment in the community, and prevent placement on sites, which could negatively impact neighboring residential areas and property values. The amendment will emphasize that digital billboards are only to be erected in proximity to the Sports and Entertainment District.

On May 24, 2012, a legal notice was published in *The Glendale Star*, which indicated which sections of the Zoning Ordinance were proposed to be amended. On May 25, 2012, staff, as the applicant, mailed notification postcards to property owners within 300 feet of the proposed area within the Sports and Entertainment District and those persons listed as Interested Parties on the City-Wide Additional Notification list.

Public testimony concerning ZTA11-01 Digital Billboards occurred at the Planning Commission meeting of March 1, 2012.

On November 9, 2011, a neighborhood meeting was held at the City Council Chambers and approximately 30 people attended. The comments received repeated those previously mentioned concerning dimensions and standards of the existing billboards on the city's Park and Ride Lot as the standard for future billboards.

Public testimony concerning freeway billboard signs occurred at the Planning Commission meetings of June 2, 2011, and August 4, 2011, as part of ZTA09-01 Zoning Text Amendment

Ordinance Update. During the June 2, 2011 Planning Commission meeting, concern was expressed regarding the impact of digital billboards on the existing community located along the Loop 101 between 51<sup>st</sup> Avenue and Bell Road.

The recommendation is to conduct a public hearing, waive reading beyond the title, and adopt an ordinance for Zoning Text Amendment ZTA11-01.

**Ordinance No. 2805 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING THE ZONING ORDINANCE OF THE CITY OF GLENDALE, ARIZONA, FOR BILLBOARDS AS FOLLOWS: ARTICLE 2 (DEFINITIONS AND RULES OF CONSTRUCTION), SEC. 2.300 (DEFINITIONS); AND ARTICLE 7 (GENERAL DEVELOPMENT STANDARDS), SECS. 7.103(F) AND (K), 7.106, AND 7.110; PROVIDING FOR SEVERABILITY; AND SETTING FORTH AN EFFECTIVE DATE.**

**The motion was made by Clark, and seconded by Knaack, to table this item to the meeting to be held on June 26, 2012. The motion carried unanimously.**

**17. INCREASE TRANSIENT LODGING PRIVILEGE TAX (ORDINANCE) (PUBLIC HEARING REQUIRED)**

Diane Goke, Chief Financial Officer, presented this item.

This is a request for City Council to conduct a public hearing and adopt an ordinance amending Glendale City Code Chapter 21.1, Sec. 447, increasing the current additional tax rate upon Transient Lodging (bed tax) Privilege (sales) from 3.4% to 5% and dedicating the proceeds from the increased tax rate for tourism promotion, effective August 1, 2012.

Nationally, cities dedicate a portion of their hospitality-related tax revenues, generated via a bed tax, to fund their respective community's tourism and marketing efforts to attract new visitors. The state law allowing the City Council authorization to increase this tax requires that a portion of the additional revenue be dedicated toward promotion of the hospitality industry. Locally, Mesa, Phoenix, Scottsdale, and Tempe dedicate a portion of their bed tax towards this effort; most communities use their Convention and Visitor Bureau (CVB) to meet this objective.

Annually, Arizona receives over \$18 billion in tourism-related revenue. Increasing the amount of funding for the Glendale CVB funding through the bed tax adjustment will allow Glendale's hotels and other businesses, such as restaurants, bars and retail establishments, to capture a larger portion of tourism-related business while enhancing economic vitality throughout the city.

On September 25, 2007, Council adopted ordinance 2589 new series amending the Glendale City Code to enhance the public safety fund by four tenths of a percent (.4%), thereby increasing the bed tax rate to 3.4%.

On June 28, 1988, Council adopted ordinance 1552 new series amending the Glendale City Code to establish a 3% bed tax rate.

As Glendale continues to expand its reputation as a sports and entertainment destination market for Arizona and points beyond, the opportunity to attract more visitors greatly increases. Increased tourism in Glendale will directly result in more bed tax revenue to the city. The resulting increase in this revenue will directly contribute to and supplement services provided to the community, including services offered by the CVB.

The CVB met with representatives from all 12 Glendale hotel properties. The purpose of these meetings was to receive their input on increasing the city's bed tax rate in order to expand CVB marketing and sales initiatives that would positively impact visitor spending and hotel room nights. One hundred percent (100%) of all Glendale hoteliers were in support of raising the city's additional tax on the Transient Lodging (bed tax) rate to 5% if the additional revenues were dedicated to CVB operations and initiatives to promote tourism in Glendale.

In accordance with the posting requirements of A.R.S. 9-499.15, a notice of this rate increase was posted to the city website's home page sixty (60) days in advance of today's meeting.

The increase to the current bed tax from 3.4% to 5.0% is expected to generate approximately \$500,000 for FY 2012-13. This additional revenue will be dedicated to the Glendale CVB operations to enhance tourism related initiatives in the community.

The recommendation is to conduct a public hearing, waive reading beyond the title and adopt an ordinance amending Glendale City Chapter 21.1, Sec. 447, increasing the current additional tax rate upon Transient Lodging (bed tax) from 3.4% to 5% and dedicating the proceeds from the increased tax rate for tourism promotion, effective August 1, 2012.

Councilmember Clark remarked that this idea had been generated by a hotel in Glendale which gathered support from the other Glendale hotels. Diane Goke, Chief Financial Officer, stated she was correct. Councilmember Clark asked to make clear this idea was not created by Council. She added the entire 5% that is generated will go to Glendale's Visitor and Convention Bureau. Ms. Goke clarified that only the increase will be going to the Bureau and will only go to promote hotels in Glendale.

Mayor Scruggs commented that Council went over this extensively in budget workshop and she did want to clarify some of this. She addressed Ms. Goke and added that perhaps Mr. Skeete might need to step in. She stated that Councilmember Clark specifically asked whether the tax would go only to promote Glendale hotels.

Mr. Skeete explained the Glendale CVB promotes tourism activity in the entire west valley. The funds generated from the increased bed tax will be dedicated to only promoting activities within the city of Glendale.

Mayor Scruggs added that she did speak to Ms. Green who indicated this whole effort was on behalf of the lodging industry and Ms. Green stressed with me again, and this would be an



administrative matter, the importance of having a Convention Visitors Bureau Board that included the private sector and that they would make the decisions regarding the use of those funds. So in other words, the funds aren't to go pay for Glendale Glitters because that promotes tourism. That is not what they are for. They are to be used to reach out to convention business which might pass the city by if they were not assisted in some way with the cost of coming here. And this is what is normally done by the Convention Visitors Bureau. So Ms. Green wanted me to stress again the importance of having that group of people who oversees the money and make sure it is used for the purpose for which they lobbied hard to get the tax. Is that your understanding Mr. Skeete?

Mr. Skeete replied yes. He said the city will be working closely with the hotels in this area to develop a board and a related budget to be able to manage and disperse that money for the purpose for which it was collected.

Mayor Scruggs commented that she believes that will go a long way in helping them feel that their efforts to bring this forward are going to achieve exactly what they intended. So if this passes tonight, as soon as that's communicated, she would suggest Mr. Skeete go right to Ms. Green with that. It will make a lot of people happy.

Councilmember Lieberman commented the Convention Bureau currently has \$30,000 in funding made up of membership payments from many organizations throughout the valley. He wondered if those organizations were aware the added bed tax will only be going to Glendale. Mr. Skeete indicated the city had made those organizations aware of that fact. Councilmember Lieberman added the city will also be receiving \$67,000 in grant money from Arizona State and Tourism Board and that will also only be used for Glendale. Ms. Goke explained the \$67,000 was grant funding to be used exclusively in Glendale. Councilmember Lieberman asked what the last grant funding from the Arizona State and Tourism was used to pay for. Ms. Goke explained that funding was spent throughout the year on tourism related items.

Councilmember Alvarez asked what the fund balance was to date. Ms. Goke stated she did not know the exact amount at this time. Councilmember Alvarez indicated she somehow had a figure of \$140,000 as an average fund balance and asked for Ms. Goke to check on that. Ms. Goke restated she was not sure of the current amount, however, the grant funding for this year was \$67,000 and for last year it was \$50,000. She added that possibly over the years, it might have been well in excess of \$140,000, but does not have those exact figures.

**Ordinance No. 2806 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING GLENDALE CITY CODE CHAPTER 21.1 (MODEL CITY PRIVILEGE (SALES) TAX CODE) BY INCREASING THE PRIVILEGE TAX RATE FOR THE ADDITIONAL TAX UPON TRANSIENT LODGING FROM 3.4% TO 5.0%; DEDICATING THE PROCEEDS FROM THE INCREASED TAX RATE FOR TOURISM PROMOTION; AND SETTING FORTH AN EFFECTIVE DATE OF AUGUST 1, 2012.**

**Mayor Scruggs opened the public hearing on Agenda Item No. 17.**

Mayor Scruggs called Francine Romesburg as a speaker's card had been completed; however, she declined to speak.

**As there were no comments, Mayor Scruggs closed the public hearing.**

**It was moved by Martinez, and seconded by Knaack, to approve Ordinance No. 2806 New Series. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Clark, Lieberman, Knaack, Martinez, Frate, and Scruggs. Members voting "nay": none.**

**Councilmember Alvarez's telephonic connection was lost and her vote was not heard.**

**18. INCREASE OF PRIVILEGE TAX RATE (ORDINANCE) (PUBLIC HEARING REQUIRED)**

Diane Goke, Chief Financial Officer, presented this item.

This is a request for City Council to conduct a public hearing and adopt an ordinance amending Glendale City Code Chapter 21.1 to increase the current Privilege (sales) tax rate by seven-tenths (.7) of one percent to a total of 2.9%, across all categories excluding residential rental, mining, and transient lodging, effective August 1, 2012.

Since 2009, city sales tax collections have declined substantially due to the economic downturn. City sales tax, which constitutes the largest portion of the General Fund operating revenue, went from seven years of annual growth of greater than 5%, to a three year trend of steady decline. At its peak in FY 2006-07 collections totaled approximately \$63.6 million; for FY 2011-12 collections are approximately \$51.9 million.

***FY 2012-13 Budget***

After a comprehensive analysis of departmental budgets and the fixed costs associated with the general operations of the city, staff recommends an increase of seven-tenths (.7) to select categories of the privilege tax rates. This increase will bring the total city sales tax rate to 2.9%.

Glendale has not raised the General Fund's portion of its sales tax rate since 1990. Increasing select rates by seven-tenths (.7) is expected to raise approximately \$23 million for the General Fund in FY 2012-13. This additional revenue, in combination with about \$9 million in expenditure reductions to the General Fund operating budget, will fund the redefined operational and service needs of the community.

A forecast of revenues and expenditures assuming the additional revenue realized from this action indicates the General Fund operating budget will return to a healthier state in approximately five fiscal years with an ending fund balance of \$14 million. Considering this, staff is recommending that at such time Council should explore the possibility of repealing all or some of the tax increase.

In addition to addressing the forecasted revenue shortfall over the next five fiscal years, the increase in sales tax revenue will enable staff to better pursue refinancing and restructuring of the MPC and PFC outstanding debt. This, coupled with a focus on fiscal restraint, will allow for the systematic rebuilding of the General Fund balance and may result in an improvement in the city's bond ratings.

At the May 22, 2012 Meeting, Council adopted a preliminary budget for FY 2012 -13.

At the April 23, 2012 Budget Workshop, staff presented the City Manager's Recommended Budget for FY 2012-13 that reflected the input Council provided during the eight budget workshops. This budget called for a seven-tenths (.7) increase to the privilege tax rate.

At the February 7, 2012 Budget Workshop, Council began a systematic review of each departments' operating budget in order to determine possible areas to reduce operational expenses for the FY 2012-13 budget.

Adjusting the privilege tax rate in select categories by seven-tenths (.7) will prevent the elimination or reduction of key city services that are funded from the General Fund. Services that are currently provided from the General Fund budget include but are not limited to: the majority of the police and fire protection budget (67%); parks, recreation, and library services; a portion of the transportation services budget (21%); street maintenance, code compliance, development services such as planning, building safety, and engineering; and the Community Action Program office.

All eight budget workshops were open to the public and were posted publicly per state requirements. The Council budget workbook materials were posted publicly along with each of the workshop's meeting agenda.

In accordance with the posting requirements of A.R.S. 9-499.15, a notice of this rate increase was posted to the city website's home page sixty (60) days in advance of today's meeting.

For the FY 2012-13 budget, the increase in select privilege tax rates is expected to generate approximately \$23 million for the General Fund. The rate will be effective August 1, 2012.

The recommendation is to conduct a public hearing, waive reading beyond the title and adopt an ordinance amending Glendale City Code Chapter 21.1 to increase the current Privilege (sales) tax rate by seven-tenths (.7) of one percent to a total of 2.9%, across all categories excluding residential rental, mining, and transient lodging, effective August 1, 2012.

Mr. Skeete provided some opening remarks on this item. Mr. Skeete stated item 18 was an increase in the Privilege sales tax rate by seven-tenths (.7) of one percent to a total of 2.9%, across all categories excluding residential rental, mining, and transient lodging, effective August 1, 2012. Over the last few weeks, staff has been considering and will bring forward to Council for action at the next evening meeting an amendment to allow for the single retail item purchase of greater than \$5,000 to remain at the constant and current level of 2.2%. This change in the proposal is necessary in order to make sure the businesses that engage in the sale of large priced

items in the city remain competitive with the surrounding communities. This change will result in a reduction in the revenue forecast in about \$1 million. Next week, staff will recommend ways to recover and reduce expenses to recoup the million dollars for next FY.

Diane Goke, Chief Financial Officer, presented the summary.

Councilmember Lieberman read information from the April 23<sup>rd</sup> budget meeting workshop citing the lack in revenue and city reductions. He stated he will not vote for any budget that contains a .7% sale tax increase and in five years give away \$92 million to make sure Glendale has a hockey team. He said the city cannot afford to keep the Coyotes in Glendale. The city cannot approve anything that will harm city's businesses. He believes this was an idiotic use of the city's money and will not vote to approve it.

Councilmember Clark commented on Mr. Skeete's earlier remarks on staff bringing forward a two tier system for large ticket items as well as ways to cover the \$1 million reduction in revenue. She explained this item will come before Council in an evening meeting for a vote as an amendment. This will be after Council makes their recommendations tonight. Mr. Skeete stated she was correct. Councilmember Clark disagreed with Councilmember Lieberman's remarks that the money being used to keep the Coyotes in Glendale was a giveaway. She explained that it was a payment for service and a payment to manage the arena. She noted that if it was not the Jamison Group at \$17 million a year, the city would still have to pay for managing the arena. She indicated that even with the figure the Mayor was using of \$10 million that was still \$50 million over the next five years to manage the arena without the Jamison Group. She reiterated she did not consider it a giveaway since they are paying for a service.

Mayor Scruggs asked Ms. Goke to come back up. She commented that several people were explaining their votes already and there really haven't been any questions asked. She continued that she had more to add later but one thing she wanted to say right now, so it will not go any further. She withdraws any comment she ever made regarding \$10 million as the right figure because at this point in time, she thinks what the city needs to do is to just start over and go out to bid. She doesn't know if it's \$10 million. She was trying to figure out from other sources and so forth, but since then she has received a whole lot more information. She withdraws any comment regarding \$10 million. And she would like to ask a question that has to do with this and if others have questions, she didn't think it was time to explain votes until the public hearing has been conducted.

Mayor Scruggs asked when coming up with the revenue forecasts that were put into the budget books for what would be gained from the sales tax, was any accommodation made for leakage at all? Leakage meaning for example, some of her friends and neighbors – saying, oh well they will just jump on the 101 and go a mile and a half to Costco which is over at 33<sup>rd</sup> Avenue and Beardsley versus going down to the one at 79<sup>th</sup> and Bell. Was leakage built in? She commented that she was not sure if it was the right term. She clarified that what she meant was - that sales will not occur because people will shop at the same exact place in another city with a lower tax that's just as convenient.

Ms. Goke stated the estimate was made based on business they currently have in the city.

Mayor Scruggs stated that is what she thought. So no one said - well we might lose 10%? The sales as what they are now were used then the .7% was applied and they came up with the answer.

Ms. Goke replied yes.

Councilmember Knaack asked if the city would still have to raise the sales tax to balance the budget even without the Coyote issue. Ms. Goke replied yes.

Mayor Scruggs commented well yes and no. Because the city is going to cut another million dollars out of what we have here tonight in order to accommodate the large purchases. So if the difference is \$6 million that could have been done through budget workshops. In other words, it's not always a matter of going out and getting more money, you can also reduce expenses. And she thinks that's what Mr. Skeete said he is presenting to Council next week. So yes, if it is assumed that there are no expenses that can be reduced but evidently there are because there are going to have to be in order to make this all come into balance. She continued that if you think the only way to meet expenses is to raise taxes - that's one way to approach it. The other way is to reduce expenses. Yes it could be layoffs or it could be many things. But we have not examined that - is the point. She continued that she did not believe there could be a blanket statement made that the answer to everything is to raise the sales tax rate because it can be done. In other cities the privilege does not belong to seven individuals to just raise the tax. She added that Council is explaining their votes already without having the public hearing. She asked to continue with the public hearing.

Councilmember Clark stated that as she understood it, the city currently had a deficit of \$35 million in the GF. Mr. Skeete stated she was correct. Therefore, if they eliminate the Coyotes situation from the entire conversation, the city was still approximately \$27 million in deficit. Mr. Skeete explained that with a simplistic mathematical approach, the city subtracting the \$17 million from the \$35 million would leave an \$18 million deficit for the city. Councilmember Clark asked which two sources the GF receives their money from. Mr. Skeete explained GF revenue was largely comprised of city sales tax and state shared revenue. Councilmember Clark stated her point was that over the years, the city has lost approximately 31% of their state shared revenue and had a 14% decline in city sales tax revenue. As a result, the city has taken two very large hits to the GF; however, they have still been able to make up a \$35 million deficit through budget cutting and other measures. She commented on the many workshops the Council had in order to find ways to reduce the budget. Therefore, the Council did not one day decide that the only way to balance the budget was to raises taxes but were diligent in their task to reduce the budget in other ways. She explained the Council had gone through extensive exercises to reduce as much as they could identify in the budget in addition to what staff was able to find on their own to reduce the deficit.

Councilmember Martinez reiterated once again that the \$17 million did not just disappear with the Coyotes; the city still has to pay an operating management fee of some kind. The fee can be anywhere from \$10 million to \$25 million. Mr. Skeete agreed that the management fee had a wide range and with or without the Coyotes it still has to be paid. Councilmember Martinez

commented on the many revenue losses the city has seen since the recession which has brought them to this point. However, everyone still seems to be focused on the arena and the Coyote issue. He remarked on staff's new recommendation of a two tier system for large purchases. He looks forward to receiving this new information in workshop and believes most Councilmembers were in support of it.

**Ordinance No. 2807 New Series was read by number and title only, it being AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING GLENDALE CITY CODE CHAPTER 21.1 (MODEL CITY PRIVILEGE (SALES) TAX CODE) BY INCREASING PRIVILEGE AND USE TAX RATES BY SEVEN-TENTHS OF ONE PERCENT (.7%), EXCEPT FOR THE PRIVILEGE TAX RATE ON THE BUSINESS OF RENTING OR LEASING REAL PROPERTY FOR RESIDENTIAL PURPOSES, MINING AND THE ADDITIONAL TAX UPON TRANSIENT LODGING; AND SETTING FORTH AN EFFECTIVE DATE OF AUGUST 1, 2012.**

**Mayor Scruggs opened the public hearing on Agenda Item No. 18.**

Jackson Moll, representative of the Home Builders Association of Central Arizona, stated his association was deeply concerned with the proposed sales tax increases. He noted that given today's economic climate, an increase in the cost of doing business will make Glendale less competitive with other communities for business and investment. The increase will be particularly damaging to the viability of homebuilding in Glendale. He said research has consistently indicated that consumers will leave high tax jurisdictions to make major purchases in other jurisdictions with lower sales tax rates. He noted that raising the sales tax will have the likely effect of erasing the progress made towards recovery by pushing consumers trying to find new homes to neighboring cities. This means Glendale will no longer be able to compete for the sales tax, impact fees, development fees, and increase tax base that comes from new home construction. The Home Builders Association respectfully requests the Council vote no on the new proposed sales tax increases. However, if passed, he asked the Council to include new home sales as a big ticket item.

David Kimmerle, representative of Sanderson Ford, asked that in the future, anytime the Council was faced with this kind of decision involving a sales tax, they include the business community. He said he was appalled by the Council's decision to not include the business community at all. He thanked Mayor Scruggs, and Councilmembers Lieberman and Alvarez for coming and asking his opinion. He noted he had been in Glendale 57 years and had been treated like an outsider. He read a letter from his family regarding the many tribulations their business has gone through during the many years they had been in business. They never thought they would also have to contend with the city of Glendale treating them as outsiders and threatening their business simply because they could not tighten their belt in spending. He explained that their sales tax goes to their businesses bottom line and was threatening their business and livelihood. He noted that his family's letter had been written April 21<sup>st</sup> and had received no response from the city. He stated that if Council votes for the .7% increase tonight, they are certain to have a referendum on it tomorrow.

Karen Mahon, a Barrel resident, she said the last time she attended a Council meeting, the Mayor admonished those that opposed a tax increase and the Coyote deal because not enough of them show up. Therefore, she has been putting up flyers in many business stores encouraging them to attend the meetings. She indicated that while doing this she had talked to a lot of unhappy business owners that were very concerned with the proposed tax increase. She explained that many are struggling to stay in business. Many of the business owners expressed their worry about the Council not having their best interest when making these types of decisions as well as the Council not caring about what they think. She noted the Coyote fans and executives were nowhere in sight since they came and got what they wanted from the tax payers. However, many tax payers were here tonight to express their disapproval of any sales tax increase.

Mayor Scruggs commented that she believed it was the Vice Mayor that admonished the speaker last week, not the Mayor. He made that in his remarks.

Sandra Petraitis, representative of the Glendale Chamber of Commerce, thanked Councilmembers Martinez and Knaack for meeting with them and taking the two tiered tax suggestion to staff. She also thanked city staff for wanting to evaluate that suggestion and coming forward with it. The Glendale Chamber represents at least 600 businesses and all are opposed to a tax increase. They believe it will be detrimental to business in Glendale and their ability to compete with other municipalities. She acknowledged the city was currently in a very difficult situation. She reiterated her support for the two tier recommendation.

Robert O'Callaghan, a Sahuaro resident, stated he has been in Glendale since 1958 when it was a good community to raise a family. However, today they were talking about raising taxes and paying for a Coyotes team. He believes they were stealing from future generations and this was unacceptable. He was embarrassed to tell people he lives in Glendale. He also had a problem with a Council that did not respect the people or listened to them. He stated he was opposed to any sales tax increase of any kind and asked the Council to come up with other ways to raise money as well as find ways to draw people to Glendale and not penalize the citizens that are staying.

Rod Williams, an Ocotillo resident, stated the city was getting ready to approve the Coyotes deal, sales, property and bed taxes as well as decreasing services. He believes the city has indeed failed in their pledge to protect and obey the laws of Arizona. He discussed the city using city funds to cover losses specifically for the Coyote matter. He questioned the legality of using these funds when they could be used in other areas of the city. He talked about the CVB issue and questioned the totals provided by staff. He stated he opposes any tax increase and if passed it should go to a referendum and special election.

Manuel Cruz, a Yucca resident, discussed Glendale's proposal for a sales tax increase in order to reach a healthier GF balance in the coming years. However, the proposed sales increase is already having detrimental effects on the business community. He also had concerns with the lack of conversation the city has had with the business community. He commended staff on the proposed two tier approach, however, cannot support a sales tax increase.

Arthur L. Thurston, a Cactus resident, stated he has attended almost every meeting in order to express his concerns regarding the many issues facing the city of Glendale. However, he believes his efforts have been to no avail. He noted the big name businesses attending tonight are meeting. He remarked on David Kimmerle a representative of Sanderson Ford, who claimed he had lived in Glendale for 57 years, yet this was the first time he had ever seen him attend a Council meeting and the last thing he heard was that Mr. Kimmerle was vacationing in Hawaii. He said the same applied to the many new faces he sees tonight. He challenged them and wondered where they had been all this time. He said if they had been attending the meetings all along, they would not have to come in now and threaten referendums and a new election on everyone. He questioned the fairness of giving the car dealers a break on big ticket items when they were not willing to give the everyday people who live in Glendale the same break. He opposes the tier tax since it was not fair to the poor and gives breaks to the rich. He suggested bringing forward a sin tax. He offered \$300 to anyone who can tell him how many citrus trees were at Sahuaro Ranch.

Walt Opaska, a Cholla resident, stated many here know he is running for Mayor of Glendale. He was glad he was not sitting up there and if he was, he would be ashamed and embarrassed. He said with their vote tonight they will be giving Glendale the dubious distinction of having the highest sales tax rate of any large city in this country. He noted that before this, Glendale was number one in the state and that should not be something they should be proud of. He noted that having the highest sales tax in the county is going to drive retail business and consumers out of Glendale and into neighboring cities. He asked the Council to do right by Glendale and vote no on sale tax increases and no on the budget.

Francine Romesburg, a Barrel resident, stated her opposition to the sales tax and said it was insane to be considering this when many people are having trouble just getting by. She said that many were fighting for their lives just to put food on the table. She believes by doing this they will be killing the city and businesses in Glendale. She said if this tax goes through many will leave and shop elsewhere. She reiterated the fact that people are struggling in their everyday lives and having the added burden of a tax increase will make things even harder on everyone. She suggested the city put the arena out to bid and stop spending large amounts of money staying with the Coyotes. She disagreed with Vice Mayor Frate's suggestion of laying-off employees to balance the budget and was concerned with his quickness to offer that suggestion.

Vice Mayor Frate interjected stating his comment was actually that he did not want to lay-off people to balance the budget. Ms. Romesburg suggested the Council then take a cut in pay.

Diane Douglas, a Sahuaro resident, stated her opposition to the sales tax increase. She expressed her distress to hear that four of the Councilmembers voted to gift away millions of dollars in tax payer money and now they are ready to vote on raising city taxes to support special interest subsidy. She stated that one of the most insidious things in her opinion was the Council's willingness to tax food that was needed to feed Glendale families. She indicated they will hurt businesses and encourage people to shop elsewhere. She explained the city had a spending problem not a revenue problem. She noted tax payer money was not the government's money to take as they see fit but it was their money, first, last and always. She asked them to vote against this increase and for Council to remember they were supposed to govern not rule them.



Nicholas Wood, representative for Sands Chevrolet, asked if there was a way to consider the amendment of purchases over \$5000 sooner than two weeks from now because of the threats being heard today about launching a referendum should the Council decide to move forward. He believes they could possibly be caught in the middle of this issue because of the timing.

Vince Ornelas, a Cactus resident, stated his opposition to the sales increase being proposed. He believes it will hurt the business community as well as the people who live in Glendale. He indicated that in his opinion, the city has opened their pocket books wide for outsiders such as for the Coyotes. He said the citizens of Glendale have contributed year after year to the city and now they are being taxed for their efforts. He reiterated this tax will not only hurt big business but also city residents.

Anthony Kern, a Sahuaro resident, stated he was adamantly opposed to the proposed sales tax increase. He explained businesses and citizens are already hurting even without the added burden of a new sales tax. He said he was also opposed to the Coyote deal and had seen many citizens express that same opinion when the Council approved moving forward with the Coyote deal. He heard citizens asking the Council to stop the vote for two weeks and read the contract fully, to no avail. He noted the city cannot afford the deal when they were so much in debt. He believes it was insanity on part of the Council to approve both the Coyote deal and the sales tax increase. He explained most citizens he has talked to are not happy with any of the Councilmembers. He believes each Councilmember should be out talking to their constituents and listening to their concerns and opinions on these important matters that concern everyone living in Glendale. He indicated the Council is to blame for the reckless spending decisions that have been made in the past 10 years. He asked the Council to please vote no on any sales tax increase.

Don Thompson, a Yucca resident, stated it seemed that everyone here tonight was in opposition to the tax increase as was he. He explained that history has shown them that every time taxes are raised, revenues fall. However, when the tax rate goes down, revenues rise. He challenged them to become heroes and lower the tax rate, then all the leakage that was talked about will come to Glendale.

John Carter, a Yucca resident, stated he heard Council give many excuses for the crises the city was in today. He even heard a Councilmember complain that he tried to meet with some car dealer but they were on vacation. He wonders if that same Councilmember ever takes a vacation. He believes a sales tax increase will be very detrimental on all sales in the city. It will also discourage any business from coming into the city. It will also be the reason for other businesses to fail or leave. The proposed property sales tax will also put a burden on all property owners especially the retired and low income since they need tax relief not more taxes. He mentioned the city's issues regarding lay-offs and decreases in services and asked the Council to start managing the city and its residents.

**Mayor Scruggs closed the public hearing.**

Councilmember Alvarez stated she will vote against the tax increase as well as the budget. She said the problems started with the Coyotes issue and the Council not paying attention to the law. She indicated it was time to admit the Council made a mistake with the Coyotes and Camelback Ranch and now this was affecting all city services. She believes the Council was taking money from the citizens when they were the ones paying taxes. The citizens expect city services such as libraries and public amenities. She restated her disapproval of any tax increase and will vote against it especially when they were giving money away such as for the Coyote deal.

Councilmember Clark stated that she keeps hearing the term “giveaway” when she has explained to everyone that this was not a giveaway. She wondered if they were just not listening or have just made up their minds on what they wish to accept. She noted that what the Council was being accused of was also happening with the citizens not wanting to listen to some of the Councilmembers explanation and opinions. She said this was a very sad state of affairs they were in. She wondered how many times they have to say that this was a payment for services. She noted it was very upsetting to hear some say that some of the Council had the attitude of “so what” in raising taxes. She reminded everyone that the Council has never been one to raise taxes and in fact had lead many charges in reducing food and property taxes a few years ago. Additionally, when taxes were not being reduced they stayed stable. Her point was that they try to adjust to what is called for at the time.

Councilmember Clark said as far as the sunset option, the Council has asked to look at the rates every year for the next five years and the minute they see light at the end of the tunnel, they will start reducing taxes since their intent was not to do this forever. She explained the city was going through a rough patch at the moment. She hopes they don't dare try and blame it all on the Coyotes because that was not the whole picture. She was very tired of people saying that when it was not true. She was not happy about having to raise taxes but believes this was necessary at this time to have to raise them. She also stands by her vote to support the Coyotes and thinks it is the right action to take at this point in time in what she believes was best for Glendale.

Vice Mayor Frate stated the last time their sales tax was raised was in 1993, shortly after Mayor Scruggs became Mayor. He asked if Mayor Scruggs recalled how much it was raised.

Mayor Scruggs commented that in 1992 the Council did vote a 20% increase from 1.0% that was established when the property tax was established in the 1950s to 1.2% because of the economy. And every other increase after that was voter approved.

Vice Mayor Frate stated this will be the first sales increase he will be able to vote on. He noted that at every meeting, Councilmember Lieberman seems to say the same thing, that the Jamison Group has no money. In response, he would like the public to know that in their lease agreement it says that if either party cannot fulfill their obligation, they break the agreement. He said they all heard Mr. Cruz, Mr. Kern, Mr. Douglas, Mr. Opaska, Mr. Ornelas, all running for office for Mayor or Councilmember for Glendale, speak tonight. He noted that anyone can come preach one thing but be the beneficiary of another. He remarked that when things are tough, they need to make adjustments, when things are easy, they also need to make adjustments.

Mayor Scruggs stated that she was going to explain her vote. She said she voted against the arena management agreement with the Coyotes so anything related to that budget, the sales tax, so forth, she will continue to vote against because that is worth a huge part of the budget. The city has an already unstable budget. The city has a lot of debt that is backed by sales tax. She commented that she started to do some research because she was not able to get any answers directly but she tried to research on her own. The city debt that is the arena, the Cabelas, the parking garage, Channel 11 studios etc. everything that is backed by sales tax and what happens if you don't have enough sales tax to meet the debt, the city is required to raise the sales tax. She continued that she felt very strongly that this is just the beginning of a slippery slope and it needs to stop right now. Where is the money going to come from? Well she heard Mr. Kimmerle say, I think I heard him say it about 57 times recently, you have to tighten your belts. What does that mean, she didn't know? But Council went through a budget process. There were certain things that were asked for, Council asked about buildings that could be sold, property that could be sold; the only ones that came forward were the ones that were unrealistic to sell. She continued that she thinks the city can go back and look at that. There are other things that Council has to look at. This will not be the end as far as she was concerned. When looking at the budget it was commented that it would be a five year tax but if you look on page 26, it says clearly that in five years the Council should explore the possibility of repealing some or all of the sales tax increases because things are going to be so much better. The only problem is the forecast in here is incorrect in that it shows that the arena management payment in the fifth year is \$3 million less than what it really is if you read the contract. So therefore you're already \$3 million in the hole in the fifth year. It's just not going to work. It will be one sales tax increase and it's going to hurt every business in Glendale to help one business in Glendale. She cannot support this, some are going to say what's the answer and the city should have figured that out in all those months of budget hearings and so on. She was going to let others express their votes before the phone connection to Councilmember Alvarez failed.

Councilmember Martinez agreed with Councilmember Clark's comments regarding everyone calling this a give-away when it was an arena management fee payment. He restated the payment for the first year will be \$17 million with an average over the 20 year term of the agreement of 14.5 million. He commented on the Pollock report which showed that the city was better off with the Coyotes staying in Glendale and the city was not in violation of any gift clause. As far as the sales tax issue, the city has lowered property tax in the past and kept other taxes stable. He will be supporting both the sales increase and the Coyote deal. He realizes there was not much support from the business community, however, at this point they should move forward until they have other options. He hopes to reduce it in the future when times get better for everyone economically.

Councilmember Knaack stated most of what she was going to say has already been said. However, she did want to express her appreciation for all the people coming and speaking here tonight. She understands their frustration for the sales increase because she feels the same way; however, by not voting for this some people might not have jobs tomorrow. She noted this was probably one of the hardest decisions she's ever had to make since she was a business person and had been a member of the Chamber. And for those reasons, she really does not want to do this but for her the alternative was worse and they were out of options. She added she was not happy with the tier system that was going to be presented and would rather it be more like Avondale or

Goodyear. She will vote to support the sales tax and hopes to bring it down in the near future when possible.

Vice Mayor Frate asked if the agreement tonight will include a sunset clause in five years. Mr. Tindall stated the sunset rule will be reflected in the ordinance. Councilmember Clark noted Council will be dealing and voting on that ordinance tonight. Mr. Tindall stated Council can always offer an amendment to the ordinance.

Mayor Scruggs stated that the five year forecast is wrong. So just so you know when you vote for this sunset thing - this tax is going to go away, you're already short \$3 million in the budget book. So the projection that in 2017 the city will have this humongous sum of \$11 million in its GF, which is so far below any financial guidelines we've ever had - that will now go down to \$8 million. But go ahead. Some of the folks out here will have to deal with it, she stated.

Councilmember Clark moved to include a sunset amendment to the ordinance. Mr. Tindall provided the correct wording.

Mayor Scruggs noted they had lost connection with Councilmember Alvarez and will wait to get reconnected to proceed with the vote.

**It was moved by Clark, and seconded by Knaack, to approve Ordinance No. 2807 New Series and amend Section 4, to reflect the effective dates of the ordinance as follows: the provisions of this Ordinance shall become effective on August 1, 2012 and shall terminate on August 1, 2017. Motion carried on a roll call vote, with the following Councilmembers voting "aye": Clark, Knaack, Frate and Martinez. Members voting "nay": Alvarez, Lieberman and Scruggs.**

**It was moved by Clark, and seconded, by Lieberman, to hear item 23 out of order, at this time. The motion carried unanimously.**

## **23. COUNCIL APPOINTMENT OF ACTING CITY MANAGER**

**This item was moved forward on the agenda.**

This is a request for the City Council to appoint an acting city manager.

The Glendale City Charter provides for the appointment of an acting city manager. The Charter states:

### Art. III, Sec. 5. Assistant City Manager

. . . In the event the city manager resigns or is removed for any reason, the council shall appoint an acting city manager at the first regular meeting following such vacancy.

The Mayor will accept a motion or motions, call for a second, and conduct a vote of the Council that shall, by virtue of assent of a majority, appoint an acting city manager.

Councilmember Alvarez informed the public she supports the appointment of Horatio Skeete as acting city manager, however, only as interim city manager until the Council gets to fully evaluate him. She would like to make that very clear as they move forward. She explained a whole vetting system should be in place to find the right person to be the next city manager after January. Councilmember Lieberman explained the action taken tonight by Charter requires Mr. Skeete's appointment become effective tonight. Councilmember Alvarez agreed.

Arthur Thruston, a Cactus resident, commented that this was a critical vote in this process of managing the city without any secrets. He stated that for many weeks and months, many have requested information from the city and never received any response. He suggested the city conduct audits across the board in every area to be done yearly. He would also like to see a roll call vote on every vote so the public can see where every Councilmember stood on the issues. He would like the city to stop having secret meetings such as the ones Mr. Beasley had been having when he brought a hockey person to meet with each Councilmembers in private instead of having everything be transparent. He stated the Mayor should have been provided with information about the hockey team when she first asked for help but instead was stonewalled. He said he disapproves of the Council's Executive Sessions and hopes they do away with them except for personnel votes.

Mayor Scruggs commented that interestingly enough, Council had some of these same conversations and discussion on these same matters recently. And she feels very strongly that Mr. Skeete understands the expectation Council has and he is the right man at the right time.

**It was moved by Clark, and seconded by Lieberman, to appoint Horatio Skeete as acting city manager. The motion carried unanimously.**

Mayor Scruggs called for a short break until 10:45pm.

The meeting was called back to order.

## **PUBLIC HEARING**

### **19. FISCAL YEAR 2012-13 PROPERTY TAX LEVY (PUBLIC HEARING REQUIRED)**

Sherry M. Schurhammer, Executive Director, Financial Services, presented this item.

This is a request for City Council to conduct a public hearing on the proposed Fiscal Year (FY) 2012-13 property tax levy. The primary property tax rate will remain unchanged at \$0.2252 per \$100 of assessed valuation for FY 2012-13. The secondary property tax rate will increase from \$1.3699 per \$100 of assessed valuation to \$1.6753 for FY 2012-13. The total property tax rate will increase to \$1.9005.

Arizona state law requires Council to set the property tax levy by the third Monday in August.

Arizona's property tax system consists of two tiers. The primary property tax levy has state-mandated maximum limits; however, it can be used by a city for any purpose. The primary property tax revenue is included in the General Fund's operating budget. The secondary property tax levy is not limited; however, it can be used only to retire the principal and interest on a municipality's bonds. The secondary property tax revenue funds much of the city's capital improvement plan.

All Truth in Taxation requirements of A.R.S. 42-17107 have been met. A Truth in Taxation hearing is not required; according to the Property Tax Oversight Commission's letter of April 30, 2012, a Truth in Taxation hearing is required only if the city chose to levy a primary rate greater than \$0.2592. The public notice requirements of A.R.S. 42-17103 also have been met.

City Council reviewed the FY 2012-13 tentative budget and adopted a resolution formally approving the tentative operating, capital, debt service and contingency appropriation budget at the May 22, 2012, evening meeting. At that time, Council also gave notice of the date for the June 12, 2012, public hearings on the FY 2012-13 final budget and the FY 2012-13 property tax levy and the June 26, 2012, date for the adoption of the FY 2012-13 property tax levy. Public notices regarding this information were published in the *Glendale Star* on May 31 and June 7, 2012.

The 8<sup>th</sup> budget workshop occurred on April 23, 2012.

The 7<sup>th</sup> budget workshop occurred on April 17, 2012.

The 6<sup>th</sup> budget workshop occurred on April 3, 2012.

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At the January 10, 2012 Council meeting, an ordinance was adopted authorizing the refunding/restructuring of outstanding water/sewer revenue obligations and Municipal Property Corporation (MPC) excise tax revenue bonds and authorizing the issuance of these bonds in an amount not to exceed \$99 million and \$70 million respectively.

At the January 3, 2012 Council workshop, staff presented the debt management plan and options related to refinancing outstanding MPC debt and refunding outstanding water/sewer debt.

Glendale's budget is an important financial, planning and public communication tool. It gives residents and businesses a clear and concrete view of the city's direction for public services, operations and capital facilities and equipment. It also provides the community with a better understanding of the city's ongoing needs for stable revenue sources to fund public services, ongoing operations and capital facilities and equipment. The budget provides Council, residents and businesses with a means to evaluate the city's financial stability.

All eight budget workshops were open to the public and were posted publicly per state requirements. The Council budget workbook materials were posted publicly along with each of the workshop's meeting agenda.

In accordance with the posting requirements of A.R.S. 9-499.15, a notice of this rate increase was posted to the city website's home page sixty (60) days in advance of today's meeting.

Public notices were printed in the May 31 and June 7, 2012 issues of *The Glendale Star* regarding the date, time and location for the public hearings regarding the FY 2012-13 final budget and the FY 2012-13 property tax levy as well as the date for the adoption of the property tax levy.

It is estimated that the FY 2012-13 primary property tax rate will generate approximately \$2.6 million and the FY 2012-13 secondary property tax rate will generate approximately \$19.3 million for a total of approximately \$21.8 million.

The recommendation is to conduct a public hearing on the FY 2012-13 property tax levy including the primary property at \$0.2252 per \$100 of assessed valuation and the secondary property tax rate at \$1.6753 per \$100 of assessed valuation. The total property tax rate will increase from \$1.5951 to \$1.9005. Adoption of the FY 2012-13 property tax levy is scheduled for the June 26, 2012, City Council meeting.

Councilmember Clark asked what the city did with the bond money that was generated by the property tax. Sherry M. Schurhammer, Executive Director, Financial Services, stated the secondary property tax is limited under state law to the payment of long term debt on general obligation bonds. Those bonds pay for much of the CIP projects such as new fire stations, police substations as well as parks and recreation facilities. She added they did not pay for water and sewer or landfill projects. Councilmember Clark read a list of projects that were paid for by the bond money that was generated by the property tax. Some include, Adult Center, Jobing.com arena, Manistee Land Redevelopment, Water Treatment Plant, Rose Lane Pool, Fire Station 159, Field Operations Complex, Convention Media Center Parking Garage, Emergency operation Center, Foothills Recreation Center, Downtown Campus, Grand Avenue Improvements, Downtown Parking Garage, Park and Ride Facility, Cholla Water Treatment Plant Process Improvement, Oasis Water Treatment Plan, Renovation at Thunderbird Conservation Park, Sahuaro Ranch Park Picnic Pavilion Renovations, Storm Drain Improvements, Replacement of Billing Service for City Services, Catlin Court Alleyway Project, Park Improvements, Parking Lot Improvements, Trail Improvements, O'Neil Park Renovation, Landfill Entrance Signal, Union Hill Stunk Creek Path and the City's Sales Tax System.

Councilmember Clark asked if any of the secondary tax money has gone to pay for the Coyotes. Ms. Schurhammer replied no. Councilmember Clark noted her point was that the secondary property tax pays for all major construction projects and amenities that the citizens of Glendale are enjoying today. Ms. Schurhammer agreed that the secondary property tax has nothing to do with the Coyotes. Councilmember Clark stated the bottom line was that the city issues bonds for all these amenities and projects and now they have to pay on that debt. Ms. Schurhammer explained the unprecedented decline in revenue that was a result of the 54% decline in assessed

valuation that has occurred over the last five years. Councilmember Clark explained the city was taking in half the revenue today in order to pay off the bonds that were issued over the past 10 years.

Councilmember Lieberman asked if the secondary property tax paid for the debt service on the arena. Ms. Schurhammer replied no. Councilmember Lieberman asked what money was used to pay the debt service on the arena. Ms. Schurhammer replied it was paid from the excise tax revenue generated on site at the arena. Councilmember Lieberman commented on the possibility that next year, the secondary property tax will go up a total of \$2.21. Ms. Schurhammer explained that was proposed to happen over a two year plan, however, next year it will be reevaluated for 2014 and the recommendation might be different. Councilmember Lieberman commented on the property tax market cycle.

Mayor Scruggs stated that she had a few comments to make. She continued that maybe the easiest way to think about this – is you know how all of the people out in your neighborhood are scooping up those houses at those really low prices and reselling them and one thing or another. The property tax the city collects – Council sets a rate but it's based on the assessed valuation of all the properties. Some cities have more commercial property for example Scottsdale is very fortunate in that they have those very expensive hotels and all that property which they pay a higher commercial rate – she added that she believed it to be higher than residential. And so in Glendale, unfortunately, it is still mainly residential which makes it really hard but it's what the assessed valuation is on our homes and if we are trying to buy a home it's great because you can buy a lot cheaper but if you're trying to sell your home you're stuck because the assessed valuation has gone down so much. So that's what has happened here, the assessed valuation has dropped so much that bond indebtedness goes back to around 2000. Another part of the equation is that the city has always tried to stay on an accelerated bond repayment schedule so we can pay the debt off. Well unfortunately the assessed valuation has dropped so much that they still have the debt from all the things that have been built since the year 2000. So forget about the football stadium, that's not part of it, forget about the baseball stadium, none of that is part of it.

Mayor Scruggs continued that she was just going to offer some examples of what's going on. In Tempe, they are going to raise their property tax between .35 and .37 cents per 100 dollars of assess valuations. So they haven't decided yet but it will be between \$2.14 and \$2.16 going up from a \$1.79. Goodyear in 2011, their property tax was \$1.42 and she could only wish for that. Councilmember Clark talked about the Mayor's obsession with lowering the property tax. And she agrees. When she came on the Council it was \$1.98 and that was just flat ridiculous. No large city was anywhere near that. But anyway, Goodyear in the year 2011, their property tax was \$1.42, in the year 2012 they had to raise it to \$1.60 and for this year they have to raise it to \$1.78 per 100 dollars of assess valuation. It is well known that property values have declined throughout the entire valley. Scottsdale, well they have a nice stock of commercial there so they are only raising theirs .14 cents. Buckeye is raising theirs 5.3%. The only reason that she is pointing this out is that it's something that all of Maricopa County is really dealing with right now. And just as we have to pay our mortgage, we have to pay our bond debt. But as the assessed valuations have declined, they have used the reserves or whatever of property taxes collected in the big years, the years when everything was great and people could sell their homes



for two or three times what they bought them for. They used those reserves and now they are just used up.

Mayor Scruggs continued that it's not a matter of going out and spending more money – all a person has to do is look around and see what has happened in their own neighborhood. When you look in the newspaper and you see houses that are selling for \$59,000 – you know what is going on there? She stated that she didn't know if when she moved to Arizona in 1971, she didn't know if they were \$59,000 then. So that's what's really happened here and that's the function of the property tax rate. So she just wanted to add those things.

**Mayor Scruggs opened the public hearing on Agenda Item No. 19.**

Diane Douglas, a Sahuaro resident, stated she could understand this property sales tax increase, however, not when the city just passed a sales tax increase which makes it seem like the city was on a sales increase spending spree. She appreciates the long list Councilmember Clark read regarding the many amenities built with this money but questions the reason why the last ones were not scaled back when they were entering into a recession. She explained that Glendale citizens were hurting because of the recession that continues. She wondered how many new citizens had to lose their homes before they stop raising taxes. She stated something has to stop since the citizens need some relief.

Arthur Thruston, a Cactus resident, submitted a speaker's card, but decided not to speak.

Francine Romesburg, a Barrel resident, stated she was against raising the property tax. She explained Glendale has a lot of nice amenities but was concerned that people will not be able to enjoy them when people were losing their jobs and homes as well as incurring new taxes. She reminded the Council that they were using tax payer money not Council money. She worries about the businesses and the people that will be hurt by the increase in taxes. She believes the Council was not paying attention to the citizens and what they were saying. She explained the more money people have in their pockets the more money they have to spend which starts boosting the economy. She disagrees with the Council's choice to raise people's taxes in order to pay their bills instead of cutting back. She suggests the Council find new ways to cover their expenses without cutting services and raising taxes. She asked them to stop laying the burden on the citizens of Glendale.

Karen Mahon, a Barrel resident, commented that it made more sense to raise taxes in the good years when people are not in need and then to raise them in bad times when people need their money the most. She remarked that most citizens do understand the Coyote issue. Even though she opposes the deal, if it passes, she hopes the purchasers are successful and end up buying the arena and get it off taxpayers' backs.

Marilyn Benuska, a Yucca resident, submitted a speaker's card but did not wish to speak. The card submitted stated that she was opposed to the tax as she is on a fixed income and cannot afford higher property taxes.

**Mayor Scruggs closed the public hearing.**

**Mayor Scruggs reopened the public hearing as a citizen advised he wished to speak.**

Robert O'Callaghan, a Sahuaro resident, stated he agreed with some of Councilmember Clark's comments, however, did not come here to be lectured. He wished to discuss the \$17 million arena management fee deal with Mr. Jamison. He believes the Jamison Group is getting far more than just \$17 million since he thinks they were also getting naming and advertising rights. He suggested the city lower their taxes instead to draw people and business to Glendale and get them to start spending money. He added they cannot afford to be chasing people away.

**Mayor Scruggs closed the public hearing.**

Mayor Scruggs stated she agreed 100% with what was said. It'll be great to lower taxes, but at this point, and Council will deal with this in two weeks, at this point, the property tax has been lowered for seven straight years.

Councilmember Martinez remarked that when times were good, the city lowered the property tax, however, now times are tough and unfortunately they have to raise them. He explained he has never been a fan of raising taxes, but in this case, they have no choice and their options are limited.

Mayor Scruggs stated that she was going to ask Mr. Skeete to have staff prepare a presentation in order to help us two weeks from now because property taxes are quite a bit different from sales tax. Everybody can understand what sales tax is and when expenses are cut and you don't need as much money. But what she would like for Mr. Skeete is have staff to prepare a presentation on what would happen if we do not increase the property tax. And we know right now that the assessed valuation, the amount of money in which the taxes are applied is not sufficient to meet the outstanding debt. She continued that first of all, for there to be more of an explanation of what that debt is and what it isn't. She also asked that Mr. Skeete also give Council the options if the property tax was not increased. Mayor Scruggs asked what other sources of funds the city would go to – to pay the tax bill. She believes that might help - put that in perspective. Property tax is very much different than sales tax. So if Council could receive a bigger explanation than what they had tonight, she believes that would be very helpful. And she believes that is what Mr. Thurston is asking for. She addressed Mr. Skeete asking that he explain what is going on to people and why Council is even talking about this. I know Mr. Skeete will take care of it.

Mr. Skeete agreed.

**PUBLIC HEARING – RESOLUTIONS**

**20. FISCAL YEAR 2012-13 FINAL BUDGET ADOPTION (RESOLUTION) (PUBLIC HEARING REQUIRED)**

Sherry M. Schurhammer, Executive Director, Financial Services, presented this item.

This is a request for City Council to review the Fiscal Year (FY) 2012-13 final budget, conduct a public hearing on the final budget and convene a special meeting to adopt a resolution formally approving the final operating, capital, debt service, and contingency appropriation budget.

Arizona state law requires the governing board of cities, towns and counties to conduct a public hearing and then convene a special meeting to adopt a resolution approving the final annual budget. The regular evening meeting does not need to be adjourned to convene and conduct the special meeting required for the budget adoption.

Council approval of the tentative budget will set the maximum level of expenditures for FY 2012-13. Adjustments and reallocation of appropriation authority may be made after adoption of the tentative budget although the total amount of appropriation cannot be increased.

Eight Council budget workshops were conducted in February, March and April 2012 to review the draft FY 2013 budget. The City Council budget workbook was prepared to facilitate Council's review of the operating budgets for city departments. The budget workbook materials included a draft FY 2013 budget for each department.

Two of the budget workshops were conducted in April 2012 after staff incorporated revisions to departmental operating budgets that were agreed upon by Council during earlier budget workshops. These two budget workshops were used to review the City Manager's FY 2013 recommended operating budget and the City Manager's FY 2013-22 recommended capital improvement plan.

**FY 2013 Operating Budget.** The national recession from which the economy is gradually recovering was felt far and wide in the country. Arizona was particularly hard hit with the bursting of the real estate bubble, steep loss of jobs (particularly in the construction industry), decline in the numbers of individuals moving to the state, and a noticeable fall-off in the state's important tourism industry. The clearest evidence of the recession's impact is in the city's General Fund (GF) ongoing revenue. It peaked at \$184.2M in FY 2008 and is expected to bottom out in the current FY at about \$138M; this is a decline of almost \$46.2M or 25% in the city's GF ongoing revenue.

As a result of this steep drop off in ongoing revenue, FY 2013 is the fourth consecutive year that the GF shows a sizeable shortfall between GF ongoing revenue and GF ongoing expenses including transfers. The annual shortfalls (before balancing measures were implemented) that were presented as part of each FY's City Manager's recommended budget are indicated below:

- FY 2010 identified a \$14.4M shortfall
- FY 2011 identified a \$31.6M shortfall
- FY 2012 identified a \$27.1M shortfall
- FY 2013 identifies a \$35M shortfall

The two principal balancing actions used to address the GF operating deficits were streamlining service delivery and using GF fund balance to offset GF deficits based on a strategic, business-based approach that was phased in over time. This resulted in a mix of ongoing and one-time

measures each FY to balance GF ongoing operating expenses, including transfers, against GF ongoing operating revenues.

For example, through mid-January 2012, GF staffing has been reduced by 273 full time employees (FTEs), an 18% reduction from the FY 2009 peak staffing level of 1,501 FTEs, to 1,228 FTEs. Accompanying these staff reductions have been service and program modifications. Impacts to essential health and safety related services and programs have been minimized.

The FY 2013 recommended operating and capital budgets provide a multi-year path to improved financial stability as the economy improves and the city grows out of the challenges caused by the recession. The recommended budgets also are based on Council's continued vision of one community, and the supporting strategic goals.

On the operating side, the recommended budget provides for:

- Gradual rebuilding of GF fund balance to address the declining GF fund balance.
- Continuation of debt service restructuring to establish a payment stream that is more in line with available resources.
- Continued evaluation of departmental operations to increase effectiveness (adding value) and efficiency (maximizing resources) with reductions in ongoing expenditures where possible.
- Continued stable funding for public safety.
- End of employee furloughs and Memorandum of Understanding deferrals.
- Incorporation of retirement rate changes into the base budget.

The multi-year path to improved financial stability for the FY 2013 operating budget includes a transaction privilege (sales) tax rate increase of 0.7% to the city's undesignated portion of the rate. This increase will occur across all eligible sales tax categories and will become effective August 1, 2012. Given the information available in March 2012, a five-year forecast of revenues and expenditures that included the additional revenue expected from this action show the GF operating budget will return to a healthier position in approximately five fiscal years (2017). This forecast shows a projected ending fund balance of \$14M for the GF in 2017. Based on this forecast, Council should explore the possibility of repealing of all or some of the tax increase at that time.

Other revenue enhancements to be implemented with the FY 2013 budget include an increase to the transient lodging rate (bed tax) from 3.4% to 5.0% with the increased revenue allocated for tourism promotion and related expenses. Other revenue enhancements to be implemented with the FY 2013 budget include adjustments to various fees for the use of the Civic Center and the Parks, Recreation and Library Department programs and services.

Highlights of the FY 2013 budget include no rate increases for water/sewer or sanitation and landfill services, as well as continuation of:

- Current operating hours for the city's libraries;

- Swim programs at the city's two aquatic facilities, Rose Lane Aquatic Center and Foothills Recreation and Aquatic Facility;
- Funding for filled sworn positions in police and fire; and
- Operating hours and maintenance for existing parks and sports fields.

**FY 2013 Capital Budget.** On the capital side, the recommended budget provides for a path to improved financial stability for the general obligation (G.O.) bond program that includes a secondary property tax rate increase of 0.3054 for FY 2013. As presented to Council during the April 23, 2012 budget workshop and in the City Manager's Recommended FY 2013-22 Capital Improvement Plan memo, the FY 2013 secondary property tax rate increase of 0.3054 is step one of a two-step rate increase that will be staggered over two FYs, with step two being implemented for FY 2014 after Council's review.

The higher secondary rates are expected to be in effect through FY 2017 based on the most current information available about future assessed valuation for property within Glendale's corporate limits. These higher rates are required to pay for existing debt service for the G.O. bond program; no new G.O. bond sales are planned through FY 2017.

This rate change means the city's secondary rate will increase from \$1.3699/\$100 of assessed valuation to \$1.6753; the city's primary property tax rate will remain unchanged at \$0.2252/\$100 of assessed valuation. The city's total property tax rate will change from \$1.5951 to \$1.9005/\$100 of assessed valuation.

One widespread and long-lasting impact of the recent recession is the unprecedented decline in real estate values. While this is true across the country, Arizona is consistently categorized as one of the hardest hit states for real estate value declines, along with California, Nevada and Florida. In Glendale, the impact has been especially challenging. The downward trend is expected to continue through FY 2014, the fifth consecutive year of property valuation decline, when Glendale's secondary assessed valuation is estimated to drop to \$1.05B (the FY 2014 figure is based on the preliminary notices from the Maricopa County Assessor's Office). The \$1.05B low will represent a 52% decline from the peak of \$2.2B in FY 2009. This unprecedented decline was unimaginable just a few years ago and certainly could not have been predicted based on a long history of changes in assessed valuation.

**Organizational Changes to be Incorporated into the FY 2013 Operating Budget.** Effective with the FY 2013 final budget, the following organizational changes will be made to realign operations to more closely match the needs of our external and internal customers and to reflect changes to processes to make them even more effective and efficient:

- The Materials Management (purchasing) Division will move from the Compliance and Asset Management Department to the Financial Services Department. This move protects the independence and impartiality of the audit staff.
- The Materials Control Warehouse Division will move from the Compliance and Asset Management Department to the Public Works Department. This relocation pairs similar operations together for greater synergy within Public Works.

- As a result of the changes addressed in the prior two bullet points, the name of the Compliance and Asset Management Department will change to the Internal Audit Department.
- The Mapping and Records Division will move from the Public Works Department to the Planning Division within the Community and Economic Development Department (see below). This relocation pairs similar GIS and mapping operations together for greater synergy.
- In an effort to provide more seamless continuity for development projects from inception to certificate of occupancy, as well as increase communication and customer service for both internal and external clients, the current Planning and Building Safety Departments will move from the development services area to report through the current Economic Development Department. As a result of this change, the current Economic Development, Building Safety and Planning Departments will be combined and work collectively under the new Community and Economic Development Department to provide an opportunity to be even more effective and responsive to businesses despite the significant combined reduction in workforce.
- As a result of the changes addressed in the prior bullet point, the current Development, Neighborhood and Human Services Department will change to the Neighborhood and Human Services Department. In addition, the remaining staff and functions of the current Neighborhood Partnership Office will move to the Code Compliance work group.
- The emergency management component of the homeland security function in the Police Department will move to the Fire Department; the Police Department will retain the homeland security component within its other operations

The FY 2013 budget reflects the reorganization that became effective in June 2011 with the revisions identified in the preceding bullet points. The resulting departments, therefore, are the following for FY 2013 (in alphabetical order):

- City Attorney's Office
- City Clerk Department
- City Court Department
- City Manager Department
- Communications Department
- Community and Economic Development Department
- Financial Services Department
- Fire Services Department
- Human Resources and Risk Management Department
- Intergovernmental Programs Department
- Internal Audit Department
- Mayor and Council
- Neighborhood and Human Services Department
- Non-Departmental
- Parks, Recreation and Library Department
- Police Services Department
- Public Works Department

- Technology and Innovation Department
- Transportation Services Department and
- Water Services Department.

City Council reviewed the FY 2012-13 tentative budget and adopted a resolution formally approving the tentative operating, capital, debt service and contingency appropriation budget at the May 22, 2012, evening meeting. At that time Council also gave notice of the date for the June 12, 2012 public hearings on the FY 2012-13 final budget and the FY 2012-13 property tax levy and the June 26, 2012 date for the adoption of the FY 2012-13 property tax levy. Public notices regarding this information were published in the *Glendale Star* on May 31 and June 7, 2012.

The 8<sup>th</sup> budget workshop occurred on April 23, 2012.

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At the January 3, 2012 Council workshop, staff presented the debt management plan and options related to refinancing outstanding MPC debt and refunding outstanding water/sewer debt.

Glendale's budget is an important financial, planning and public communication tool. It gives residents and businesses a clear and concise view of the city's direction for public services, operations and capital facilities and equipment. It also provides the community with a better understanding of the city's ongoing needs for stable revenue sources to fund public services, ongoing operations, and capital facilities and equipment.

The budget provides Council, residents and businesses with a means to evaluate the city's financial stability.

The material that was reviewed in the budget workshops is contained in the budget book posted with today's meeting agenda.

Public notices were printed in the May 31 and June 7, 2012 issues of *The Glendale Star* regarding the date, time and location for the public hearings regarding the FY 2012-13 final budget and the FY 2012-13 property tax levy as well as the date for the adoption of the property tax levy.

The annual budget (all funds) for the city is divided into four major components that include all appropriations. The total budget, including all four components, is \$579 million for FY 2013. The four components and their respective total amounts for FY 2013 are as follows:

- The *operating budget* finances the day-to-day provision of city services and totals \$347.7 million. Since the adoption of the tentative budget at the May 22, 2012, meeting, one (1) million in appropriation authority has been transferred from fund 1840, the city's grant fund, to fund 1780, arena special revenue, for capital-related renewal and replacement expenses at the arena that are tied to the new Coyotes ownership contract. The total appropriation for the operating budget remains unchanged at \$347.7 million and the total appropriation across all funds remains unchanged at \$579 million.
- The *capital improvement budget* funds the construction and repair of city assets including roads, public amenities and other infrastructure throughout the city. The capital improvement budget totals \$106.2 million.
- The *debt service budget* is used to repay money borrowed by the city, primarily for capital improvements, and amounts to \$86 million.
- The final component of the budget is the *contingency appropriation*, which is made up of fund reserves and is available to cover emergency expenses or revenue shortages should they arise during the fiscal year. The contingency appropriation for this fiscal year totals \$39.1 million.

The total budget of \$579 million represents a decrease of 9.2% from the FY 2012 total budget of \$638 million. The decrease is the result of operating and capital budget reductions to address constrained revenues.

The recommendation is to conduct a public hearing on the proposed final budget and then convene in a special meeting, waive reading beyond the title, and adopt a resolution approving the FY 2012-13 final budget.

Mayor Scruggs commented that she was going to ask a question and didn't know if it went to the city manager or the city attorney. Since it has already been declared tonight that there will be an item coming forward to Council in two weeks, to reduce the revenue that is being projected – the city is going to collect in the budget, how can Council adopt this budget tonight when it has already been said that the budget would be going out of balance with a revenue decrease? Mr. Tindall explained that by law, the city has to balance the budget, therefore, in two weeks; they will have to have an equal amount of reduction on the expense side.

Mayor Scruggs commented that she was told that the state statute is that the budget has to be adopted by July 14 or in mid-July. But for Glendale it has to be adopted before the end of our fiscal year or else the city has to shut down, is that correct?

Mr. Tindall replied yes.

Mayor Scruggs commented there are those that who are very concerned about the model city tax code exemption issue and want to know what's really going to happen and so forth. If Council approves that exemption, would the Council also need to approve a new budget that shows both



the reduced revenues and the reduced expenses? She continued, confirming that the expectation is to adopt the budget tonight and another one on the 26<sup>th</sup>.

Mr. Tindall explained they will have an amended budget on the 26<sup>th</sup> which will reflect the decrease in revenues and decreases in expenditures.

Mayor Scruggs asked how does this work time-wise because Council has to have at least one preliminary public hearing on the budget - this one that we have here tonight She asked if it was one or two public hearings that were conducted before tonight?

Ms. Schurhammer explained the city already completed its publishing requirements for the final budget adoption at tonight's meeting.

Mayor Scruggs commented that the law is it needs to be published for two weeks in a row so you would have to publish this new budget that reflects the reduced revenues and the reduced expenses for two weeks in a row. But Council would have to meet two weeks from tonight in order to approve it but will not talk about the exemption till next week.

Ms. Schurhammer noted the property tax levy had to be done in two weeks after the budget is adopted. She reminded the Council that when they adopt the budget, they are adopting the maximum level of expenditures; therefore if they are amending the budget to make it less, she was unsure why they would have to prepare an amended budget.

Mr. Tindall stated the city had to adopt an amended budget. The process of adopting the budget is intended to be good for a period of time since things change and adjustment to the budget have to be made at some point in time because of what happens in reality. He noted there is the anticipation that once you pass the budget and make the estimations and anticipations, then you go for the amended process if there is a need to amend the budget.

Mayor Scruggs asked if that was possible to be done at any time. She asked if it could be done after the new fiscal year begins.

Mr. Tindall explained the appropriation adjustment process that often was made to the budget.

Mayor Scruggs stated that she believed there was something very, very wrong here. Whether the Council was going to do an exemption for large purchases of \$5000 or more that should have been worked out ahead of time. It should have been in the budget that is set for approval. She recalled an earlier comment that if revenues are reduced by a \$1 million and there is absolutely no way she wants those car dealers to not be able to compete. She continued that the city might as well tell them to shut their doors and go away. They cannot compete. But the city still has to deal with how things are done by statute and so forth. She commented that she had stated that expenditures would have to be reduced and somebody said - well that could mean letting people go. She continued that yes it could, and so she has hit a point where everybody knew what the situation was and everybody knew that the libraries were not going to be open any longer but they also were not going to be open any shorter. That can't stay the same if you take \$1 million out. So she is trying to understand how this works process-wise. This is the city's budget and now Council is being told that there is going to be a different budget. She asked what the law

allows for us to do in terms of adopting an amended budget. What does that allow? Can it be held this off for two weeks? No because we have to set the property tax levy.

Ms. Schurhammer explained the time frame regarding the property tax levy.

Mayor Scruggs commented that then we have plenty of time for the property tax levy. She continued that she is just commenting that she doesn't think this has been thought out very well. She additionally commented that this budget process is a very awkward situation.

**Mayor Scruggs opened the public hearing on Agenda Item No. 20.**

Anthony Kern, a Sahuaro resident, stated the city cannot balance their budget on the backs of the taxpayers and the businesses in Glendale.

Manuel Cruz, a Yucca resident, remarked that waiting longer to make adjustments in spending, failing to adjust revenue projections, hoping the economy would turn around, spending money and decreases in revenue, are all reason why the city was in the shape it was in now. Therefore, their job was a difficult one and at times a thankless one. He thanked the Mayor, Council and staff for their service and hard work.

Diane Douglas, a Sahuaro resident, stated she respectfully requests the Council vote no on a budget that includes tax increases and subsidies to special interest groups. She believes today's elected officials had their priorities flipped and flopped. They were too easy to turn their governing responsibilities over to the administrators and allow them to run the city.

Dolores Kilanowski, a Cactus resident, stated she was a 35 year resident of Glendale. She asked the Council not to cut library hours any further since she enjoys going to the library very much. She believes the increase in fees at the Adult Center was satisfactory but would like the city to extend the hours at least until 5:00 p.m.

Sandra Burr, a Barrel resident, thanked the Council for keeping the library hours as they are, however, was concerned with the city doing away with security. She provided examples of how security guards perform many services in the libraries and are greatly needed.

Francine Romesburg, a Barrel resident, questioned how the city could pass a budget tonight when it was not finalized. She wondered if the city had a promotion department that actually went out and promoted the city of Glendale. She said if they did not, it was very important they start looking into it and start promoting the city.

**Mayor Scruggs closed the public hearing.**

**Mayor Scruggs opened the SPECIAL BUDGET MEETING (TO ADOPT FISCAL YEAR 2012-13 FINAL BUDGET)**

**Resolution No. 4585 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA**

**COUNTY, ARIZONA, ADOPTING THE ESTIMATES OF THE AMOUNTS REQUIRED FOR THE PUBLIC EXPENSE FOR THE CITY OF GLENDALE FOR THE FISCAL YEAR 2012-13; ADOPTING A FINAL BUDGET; AND SETTING FORTH THE REVENUE AND THE AMOUNT TO BE RAISED BY DIRECT PROPERTY TAXATION FOR THE VARIOUS PURPOSES.**

Mayor Scruggs stated that she had made it clear that she did not support the arena management fee that is a part of this budget. She said she would vote against the budget. She felt the budget is not sustainable and she is definitely against the sales tax increase. She continued that she didn't believe anybody here would care but to just give them an idea of how strongly she feels about this – two months ago she sent a message to the then city manager and to the city attorney and said that even though the tradition in this city forever has been that there is a message from the Mayor in the budget book, she would not put a message from the Mayor in this budget book because she did not want it to ever seem like she in any way supported this budget. She feels that it is not sustainable and doesn't believe that it's in balance and it's based on something that she expressed an opposition to many months ago, putting it on the back of our businesses with this tax. There is nothing about it that she feels good about or believes in or will support. She just feels very, very strongly about that. It's never going to make a difference in the history of this city but it makes a huge difference to her that she not have some message that says how great everything is with her picture on it because it really is not. And she will vote against it.

Councilmember Lieberman stated he felt the same way. He commented on the arena issue that in his view was a big drain on city finances. He explained the reason he had voted for the arena in the first place back in 2001. The city's lowest projections were that the city would receive at least \$100,000 a year in profit to the city. He explained the money the city has paid out in order to keep the Coyotes in Glendale which has caused the city many problems. He believes the city can benefit more by having the arena be used by outside promoters which will bring more revenue and traffic into Glendale. He opposes the NHL deal and the Coyotes staying in Glendale and believes the city can do better than spending \$325 million throughout 25 years. He explained the NHL deal was a very big part of why he will not vote to approve this budget. He also disapproves of the proposed budget because it includes a sales tax increases and will not support that either. He believes this was not the time to start raising taxes when people were struggling with their mortgage and keeping their jobs. He added he agrees with Mayor Scruggs that the budget does not seem sustainable at this point. He believes they can do better and make the city profitable again.

Mayor Scruggs stated that before she calls for a vote, she was going to go back to the city attorney. She asked the attorney if it was okay to vote on this budget even knowing that it's going to be changed.

Mr. Tindall stated it was appropriate to go ahead and vote to adopt the budget tonight. Staff will follow up at a later time with the modification on the decreases mentioned earlier.

Mayor Scruggs commented that Ms. Schurhammer says that we don't need to have a hearing and then adopt an amended budget because - whatever. She asked the attorney what will the public think is going on here if the city has this budget and then the city has another budget?

Mr. Tindall explained the Council will have to address the appropriations through a Council action.

**It was moved by Knaack, and seconded by Frate, to pass, adopt and approve Resolution No. 4585 New Series. The motion carried. Aye votes: Clark, Frate, Knaack and Martinez. Nay votes: Lieberman and Scruggs.**

## **ADJOURN SPECIAL BUDGET MEETING AND RECONVENE REGULAR COUNCIL MEETING**

### **RESOLUTIONS**

#### **21. 2012 COMMUNITY HOUSING AGENCY PLAN**

Jim Colson, Deputy City Manager, presented this item.

This is a request for City Council to ratify the execution and submittal of the City of Glendale's 2012 Agency Plan administered by the city's Community Housing Division to the U.S. Department of Housing and Urban Development (HUD).

Federal regulation requires that all housing authorities have an Agency Plan, and that the Plan be updated and submitted to HUD annually. The Plan includes the Public Housing Five Year Capital Fund Action Plan, the PHA Five Year and Annual Plan, including the Violence Against Women Act addendum. The Plan also includes the Section 8 Administrative Plan and Public Housing Admissions and Continued Occupancy Policy, which govern the administration of the rental assistance programs.

Changes to the 2012 Agency Plan include those that are generally routine in nature and dictated by federal regulation. These 2012 Agency Plan updates will be incorporated into all associated forms, letters and other documents, and where applicable, the Community Housing Division's internal procedures. Any approved policy updates that affect the conventional public housing residents are also reflected in the conventional public housing lease document. All changes were reviewed by the Glendale City Attorney's Office and taken to the Community Development Advisory Committee for review and approval.

The receipt of the city's annual federal capital fund money is contingent upon the timely submittal and HUD's approval of the 2012 Agency Plan. Therefore, in order to ensure receipt of these funds, the Glendale Community Housing Division submitted the 2012 Agency Plan to HUD on April 13, 2012.

The capital funds are used for modernization and improvements for the city's public housing communities, and to provide Glendale's most needy families with affordable housing. The city owns and operates three public housing communities that house 155 low-income families.

On March 15, 2012, the Community Development Advisory Committee held a public hearing and subsequently unanimously recommended approval of the 2012 Agency Plan. No comments were received at the public hearing.

On January 26, 2012, a Notice of Public Hearing was published in the Glendale Star and posted on the city's website. In addition, the 2012 Agency Plan was posted in its entirety on the city's website to solicit public comments.

In January of each year, the Glendale Community Housing Division solicits input from program participants in both the Conventional Public Housing and Section 8 Housing Choice Voucher programs on the development of the agency plans.

The 2012 federal capital fund for Glendale Housing is \$190,672. The Capital Fund Program Five-Year Action Plan includes this funding for modernization and improvements of the three public housing communities.

The recommendation is to waive reading beyond the title and adopt a resolution ratifying the execution and submission of the City of Glendale's 2012 Agency Plan administered by the city's Community Housing Division to Housing and Urban Development.

**Resolution No. 4586 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, RATIFYING THE EXECUTION AND SUBMISSION OF THE 2012 AGENCY PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.**

**It was moved by Frate, and seconded by Martinez, to pass, adopt and approve Resolution No. 4586 New Series. The motion carried unanimously.**

## **NEW BUSINESS**

### **22. COUNCIL SELECTION OF VICE MAYOR**

In accordance with the Charter and pursuant to City Council Guidelines, Council will designate among its members a vice mayor.

The Glendale City Charter provides for the composition of the Council. The Charter states:

#### **Art. II, Sec. 7. Vice Mayor.**

The council shall designate one (1) of its members as vice mayor, who shall serve in such capacity at the pleasure of the council. The vice mayor shall perform the duties of the mayor during the mayor's absence or disability.

Council adopted the City Council Guidelines at the May 26, 2009 Council meeting. As stated in the City Council Guidelines, at the first workshop of June each year the Council will consider the

appointment of a vice mayor for the following fiscal year. Nominations were indicated by Councilmembers at the June 5, 2012 workshop.

The Mayor will accept a motion or motions, call for a second, and conduct a vote of the Council that shall, by virtue of assent of a majority, designate one of its members as vice mayor.

Councilmember Lieberman remarked this was the 17th time he has been turned down for this position. He said this is the only thing that he knows of that he has pursued and not taken over readily. He said he must not have pursued it heartedly. He did not appreciate some undue comments last year coming from his chubby friend about his health. He offered to show him how well his health was anytime, particularly when he rides on his motorcycles.

**It was moved by Knaack, and seconded by Martinez, to designate Steven E. Frate as Vice Mayor. The motion carried unanimously.**

### **23. COUNCIL APPOINTMENT OF ACTING CITY MANAGER**

This item was heard earlier on the agenda.

### **REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION**

**It was moved by Frate, and seconded by Knaack, to hold a City Council Workshop at 1:30 p.m. in Room B-3 of the City Council Chambers on Tuesday, June 19, 2012, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. The motion carried unanimously.**

### **MOTION TO EXCUSE COUNCILMEMBER ALVAREZ**

**It was moved by Frate, and seconded by Martinez, to excuse Councilmember Alvarez from the June 8, 2012 Special Meeting. The motion carried unanimously.**

### **CITIZEN COMMENTS**

Sandra Burr, a Barrel resident, thanked the Council for their service.

### **COUNCIL COMMENTS AND SUGGESTIONS**

Councilmember Lieberman thanked all those who spoke and attended tonight. He said he won't be back until mid-August. He wished everyone a safe summer.

Vice Mayor Frate thanked everyone who stayed to speak this evening even if they did not all agree with each other. He noted the Council had a lot of responsibility they take very seriously and with their votes; they are never going to make everyone happy. He takes full responsibility for his vote tonight and will not be pointing any fingers and blame staff for any of his votes. He stated it was very easy for people to come and disagree with the Council and make discouraging comments. He remarked for the people attending tonight that were running for office, if they are elected, they will probably be listening to the same people speaking to the Council tonight. He

reminded everyone to watch children around water. He commented on the many senseless drownings that have recently occurred.

Councilmember Martinez thanked everyone for being there tonight and for their comments. He said that for the last few weeks, he had been thinking about this vote and the road they would be taking. Therefore, in his heart of hearts he believes they were doing what needs to be done. He commented on the combination of things that have ultimately caused problems for the city. Although, many still remained focus on the arena as the only problem the city has. He congratulated Mr. Skeete on his new appointment tonight and believes things will be changing for the better and remains optimistic. He agreed with Vice Mayor Frate on the importance of watching children around water.

Councilmember Knaack said this has been a very difficult time for everyone involved, however, she was looking forward with a very positive attitude and hopes everyone decides to do the same. This is a fresh start for a new fiscal year and has a lot of faith in city staff to get this turn around for the better. She was aware it might take a few years but believes strongly that it will happen and hopes everyone keeps supporting Glendale.

Mayor Scruggs thanked everyone for attending. She commented that she wanted to address the appointment of Mr. Skeete who is the acting city manager. She thanked him for his years of quiet service, many years of quiet service in various positions in the city and his knowledge of the functions and the disciplines within the city. She continued that she has a lot of faith that he will bring a bright light in a new day into the city in which we are all looking forward to. She continued that she wanted to make some comments and had been told by Mr. Tindall that it would be okay to talk about it. She believes there are a lot of people that are wondering what the process is going to be to hire a permanent city manager. And she believes it's something that we should get out there. The Council has decided among themselves, the seven of them, that the selection of the new city manager should be undertaken by those who will be serving after the second Tuesday in January in 2013. So anyway, once the canvas of votes is completed in November and it is known for sure who the seven members of the Council will be starting in January 2013. Those seven members will get together and there will be a committee of some sort or another formed. And they will get together and they will begin to decide how they want to go about a search. Do they want to search the globe, search just North America, search just Arizona or just invite people to apply? There are a number of ways that can happen. And that is the first thing they need to decide and then they need to talk among themselves to find out what are the characteristics of the perfect city manager that they want. So those seven people will undertake this with some sort of consultant or staffs help – she didn't know – she didn't care – she doesn't have to worry about it. And she believes there is probably going to be a lot of speculation of what happens next. And so that's what happens next. She addressed those in the audience that are running for office, commenting that they might be the ones that are going to do that and she believes it's exciting and she thinks it's the right way to do it and she is happy about how that's going to happen. So anyway, again thank you all for being here tonight. The meeting is adjourned.

## **ADJOURNMENT**

There being no further business, the meeting was adjourned at 12:25 a.m.

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Pamela Hanna

Pamela Hanna - City Clerk